

Essent Group Ltd.  
Form DEF 14A  
April 03, 2015

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**Essent Group Ltd.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(3) Filing Party:

(4) Date Filed:

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**Clarendon House  
2 Church Street  
Hamilton HM11, Bermuda**

April 3, 2015

Dear Shareholder:

You are cordially invited to attend the Annual General Meeting of Shareholders of Essent Group Ltd. to be held at 8:00 a.m. Atlantic Daylight Time on Wednesday, May 6, 2015, at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda.

We describe in detail the actions we that expect to take at our Annual General Meeting of Shareholders in the attached Notice of Annual General Meeting of Shareholders and proxy statement. Included with this proxy statement is a copy of our Annual Report to Shareholders for our year ended December 31, 2014. We encourage you to read our Annual Report to Shareholders. It includes information about our business as well as our consolidated audited financial statements.

Please use this opportunity to take part in our corporate affairs by voting on the business to come before the Annual General Meeting of Shareholders. Whether or not you plan to attend our Annual General Meeting of Shareholders, please complete, sign, date and return the accompanying proxy in the enclosed postage-paid envelope or vote electronically via the Internet or telephone. See "How Do I Vote?" in the proxy statement for more details. Returning the proxy or voting electronically does NOT deprive you of your right to attend the Annual General Meeting of Shareholders or to vote your shares owned of record by you in person for the matters acted upon at the meeting.

We look forward to seeing you at the Annual General Meeting of Shareholders.

Sincerely,

Mark A. Casale

*Chairman of the Board of Directors,  
Chief Executive Officer and President*

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**Clarendon House**  
2 Church Street  
Hamilton HM11  
Bermuda

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**  
**to be held on May 6, 2015**

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<b>TIME AND DATE</b>	8:00 a.m. Atlantic Daylight Time on Wednesday, May 6, 2015.
<b>PLACE</b>	Fairmont Southampton Hotel located at 101 South Shore Road, Southampton SN02, Bermuda
<b>ITEMS OF BUSINESS</b>	(1) Election of three Class I directors to serve through the 2018 Annual General Meeting of Shareholders; (2) Re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2015 and until our 2016 Annual General Meeting of Shareholders, and referral of the determination of the auditors' compensation to the board of directors; and (3) Any other business that may properly come before the meeting.
<b>RECORD DATE</b>	In order to vote, you must have been a shareholder at the close of business on March 20, 2015.
<b>PROXY VOTING</b>	It is important that your shares be represented and voted at the Annual General Meeting of Shareholders. You can vote your shares by completing and returning the proxy card or voting instruction card sent to you. You also have the option of voting your shares on the Internet or by telephone. Voting instructions are printed on your proxy card and included in the accompanying proxy statement. You can revoke a proxy at any time prior to its exercise at the Annual General Meeting of Shareholders by following the instructions in the proxy statement.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 6, 2015: The Notice of Annual General Meeting of Shareholders, Proxy Statement and 2014 Annual Report to Shareholders are available at [www.essentgroup.com](http://www.essentgroup.com). These documents are first being mailed to shareholders on or about April 3, 2015. Our 2014 Annual Report to Shareholders, including our Annual Report on Form 10-K for the year ended December 31, 2014, is not part of the proxy soliciting material.**

By order of the Board of Directors,

Dawna Ferguson  
*Secretary*

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## **ESSENT GROUP LTD.**

**CLARENDON HOUSE  
2 CHURCH STREET  
HAMILTON HM11  
BERMUDA  
(441) 297-9901**

### **PROXY STATEMENT**

**DATED APRIL 3, 2015**

**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
to be held on May 6, 2015**

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We are providing these proxy materials to you in connection with our 2015 Annual General Meeting of Shareholders, which we refer to in this proxy statement as the Annual Meeting. The Annual Meeting will be held at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda, on Wednesday, May 6, 2015 at 8:00 a.m. Atlantic Daylight Time. This proxy statement and our 2014 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the year ended December 31, 2014, are being made available to our shareholders beginning on or about April 3, 2015. This proxy statement contains important information for you to consider when deciding how to vote on the matters brought before the Annual Meeting. Please read it carefully.

### **FREQUENTLY ASKED QUESTIONS**

#### **Where and when will the meeting take place?**

The Annual Meeting will be held at 8:00 a.m. Atlantic Daylight Time on Wednesday, May 6, 2015 at the Fairmont Southampton Hotel, 101 South Shore Road, Southampton SN02, Bermuda.

#### **What is the purpose of the Annual Meeting and these materials?**

We are providing these proxy materials in connection with the solicitation by our board of directors of matters to be voted on at the Annual Meeting and any adjournments or postponements of the meeting.

At the Annual Meeting, you will be asked to vote on the following matters:

the election of three Class I directors to serve through the 2018 Annual General Meeting of Shareholders;

the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2015 and until our 2016 Annual General Meeting of Shareholders, and the referral of the determination of the auditors' compensation to our board of directors; and

any other business that may properly come before the meeting and any adjournments or postponements thereof.

#### **What is the board of directors' recommendations?**

Our board of directors recommends a vote:

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FOR the election of each of Aditya Dutt, Roy J. Kasmar and Andrew Turnbull to serve as Class I directors through the 2018 Annual General Meeting of Shareholders; and

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FOR the re-appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the year ending December 31, 2015 and until our 2016 Annual General Meeting of Shareholders, and the referral of the determination of the auditors' compensation to our board of directors.

**Who is entitled to vote at the Annual Meeting?**

Our board of directors has set March 20, 2015 as the record date for the Annual Meeting. All shareholders who owned common shares at the close of business on March 20, 2015 may vote at the Annual Meeting, either in person or by proxy. As of the record date, there were 92,661,118 common shares outstanding and entitled to vote.

**How many votes do I have?**

You have one vote for each common share that you owned at the close of business on the record date, provided that on the record date those shares were either held directly in your name as the shareholder of record or were held for you as the beneficial owner through a broker, bank or other intermediary. There is no cumulative voting.

**What is the difference between holding shares as a shareholder of record and as a beneficial owner?**

Many of our shareholders hold their shares through a broker, bank or other intermediary rather than directly in their own name. As summarized below, there are some distinctions between shares held of record and those owned beneficially.

*Shareholder of Record.* If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered to be the shareholder of record with respect to those shares, and these proxy materials are being sent directly to you by us. As a shareholder of record, you have the right to grant your voting proxy directly to us or to vote in person at the Annual Meeting. We have enclosed a proxy card for you to use.

*Beneficial Owner.* If your shares are held in a stock brokerage account or by a bank or other intermediary, you are considered to be the beneficial owner of shares held in "street name," and this proxy statement and the accompanying materials are being forwarded to you by your broker, bank or other intermediary, which is considered to be the shareholder of record with respect to those shares. As a beneficial owner, you have the right to direct your broker, bank or other intermediary on how to vote and are also invited to attend the Annual Meeting. Your broker, bank or other intermediary has enclosed a voting instruction card for you to use in directing the broker, bank or other intermediary regarding how to vote your shares. However, since you are not the shareholder of record, you may not vote these shares in person at the Annual Meeting unless you obtain a proxy, executed in your favor, from the holder of record of such shares.

**What if I don't vote for some of the items listed on my proxy card or voting instruction card?**

If you are a record holder and return your signed proxy card in the enclosed envelope but do not mark selections, your shares will be voted in accordance with the recommendations of our board of directors. If you indicate a choice with respect to any matter to be acted upon on your proxy card, your shares will be voted in accordance with your instructions.

If you are a beneficial owner and hold your shares in street name through a broker and do not give voting instructions to the broker, the broker will determine if it has the discretionary authority to vote on the particular matter. Under the applicable rules, brokers have the discretion to vote on routine matters, such as the selection of accounting firms, but do not have discretion to vote on non-routine matters, including the uncontested election of directors. As a result, if you are a beneficial



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owner and hold your shares in street name but do not give your broker or other nominee instructions on how to vote your shares with respect to the election of directors, no votes will be cast on your behalf with respect to the election of directors.

If you do not provide voting instructions to your broker and your broker indicates on its proxy card that it does not have discretionary authority to vote on a particular proposal, your shares will be considered to be "broker non-votes" with regard to that matter. Proxy cards that reflect a broker non-vote with respect to at least one proposal to be considered at the Annual Meeting (so long as they do not apply to all proposals to be considered) will be considered to be represented for purposes of determining a quorum but will not otherwise be counted.

We encourage you to provide voting instructions to your broker by carefully following in the instructions provided by your broker.

**What options are available to me to vote my shares?**

Whether you hold shares directly as the shareholder of record or through a bank, broker or other intermediary, your shares may be voted at the Annual Meeting by following any of the voting options available to you below:

*You may vote via the Internet.* You may submit your proxy or voting instructions over the Internet by following the instructions on the proxy card or voting instruction form.

*You may vote via the telephone.*

If you are a shareholder of record, you can submit your proxy by calling the telephone number specified on the paper copy of the proxy card that you received with the proxy materials. You must have the control number that appears on your proxy card available when submitting your proxy over the telephone.

Most shareholders who hold their shares in street name may submit voting instructions by calling the number specified on the paper copy of the voting instruction form provided by their bank, broker or other intermediary. Those shareholders should check the voting instruction form for telephone voting availability.

*You may vote by mail.* You can submit your proxy or voting instructions by completing and signing the separate proxy card or voting instruction form you received and mailing it in the accompanying prepaid and addressed envelope.

*You may vote in person at the Annual Meeting.* All shareholders of record may vote in person at the Annual Meeting. Written ballots will be passed out to anyone who wants to vote at the Annual Meeting. However, if you are the beneficial owner of shares held in street name through a bank, broker or other intermediary, you may not vote your shares at the Annual Meeting unless you obtain a "legal proxy" from the bank, broker or intermediary that holds your shares, giving you the right to vote the shares at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we recommend that you submit your proxy or voting instructions in advance to authorize the voting of your shares at the Annual Meeting to ensure that your vote will be counted if you later are unable to attend.

**How many votes must be present to hold the Annual Meeting?**

The presence of two persons in person and throughout the meeting representing, in person or by proxy, more than a majority of the common shares outstanding and entitled to vote on the matters to be considered at the Annual Meeting, is required for the transaction of business at the Annual

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Meeting. This is called a "quorum." Your shares will be counted as being present at the Annual Meeting if either you are present and vote in person at the Annual Meeting or a proxy card has been properly submitted by you or on your behalf and such proxy card indicates a vote on at least one matter to be considered at the Annual Meeting. Both abstentions and "broker non-votes" (under certain circumstances described below) are counted as being present for the purpose of determining the presence of a quorum. If a quorum is not present by attendance at the Annual Meeting or represented by proxy, the meeting will be adjourned to the same date one week later, at the same time and place, or to such other date, time and place as the Secretary may determine. If a new record date is fixed for the adjourned meeting, we will provide notice of the adjourned meeting to each shareholder of record entitled to vote at the meeting.

**What is the vote required to pass each proposal to be presented at the Annual Meeting?**

Each proposal or matter voted on at the Annual Meeting will be decided by a simple majority of votes cast on such proposal or matter.

With respect to the election of directors, you may vote "For" all nominees, "Withhold" your vote as to any or all of the nominees, or vote "For" some but not all of the nominees and "Withhold" your vote for the remaining nominee(s). A properly executed proxy marked "Withhold" with respect to the election of any or all of the directors will not be voted with respect to the director or directors indicated. With respect to the election of directors, proxies may not be voted for more than three nominees. Shareholders may not cumulate votes in the election of directors.

With respect to the selection of our auditor, you may vote "For", "Against" or "Abstain". If you "Abstain" from voting on the selection of our auditor, the abstention will have the same effect as an "Against" vote.

**What does it mean if I receive more than one set of proxy materials?**

Generally, it means that you hold common shares registered in more than one account. To ensure that all of your shares are voted, please vote in the manner described above with respect to each proxy card or voting instruction card accompanying the proxy materials.

**Can I change or revoke my vote after I return my proxy card or voting instruction card?**

Yes. Any shareholder of record has the power to change or revoke a previously submitted proxy at any time before it is voted at the Annual Meeting by:

submitting to our Secretary, before the voting at the Annual Meeting, a written notice of revocation bearing a later date than the proxy;

timely delivery of a valid, later-dated proxy (only the last proxy submitted by a shareholder by Internet, telephone or mail will be counted); or

attending the Annual Meeting and voting in person (provided that attendance at the Annual Meeting will not by itself constitute a revocation of a proxy).

For shares held in street name, you may revoke any previous voting instructions by submitting new voting instructions to the bank, broker or other intermediary holding your shares by the deadline for voting specified in the voting instructions provided by your bank, broker or other intermediary. Alternatively, if your shares are held in street name and you have obtained a legal proxy from the bank, broker or other intermediary giving you the right to vote the shares at the Annual Meeting, you may revoke any previous voting instructions by attending the Annual Meeting and voting in person.

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**How can I attend the Annual Meeting?**

The Annual Meeting is open to all shareholders holding common shares as of the record date.

If you are a shareholder of record, you will have to present valid picture identification. If you are a beneficial owner, you will need to obtain a legal proxy from your bank or broker. This legal proxy will serve as an admission ticket and authorize you to vote your common shares (or to change your vote) at the Annual Meeting. You will also be required to present valid picture identification.

Shareholders who do not have valid picture identification and a legal proxy (if required) may not be admitted to the Annual Meeting.

Admission to the Annual Meeting will begin at 7:30 a.m. Atlantic Daylight Time on Wednesday, May 6, 2015. Seating will be limited. In order to ensure that you are seated by the commencement of the Annual Meeting at 8:00 a.m., we recommend that you arrive early. The Annual Meeting will be held at the Fairmont Southampton Hotel located at 101 South Shore Road, Southampton SN02, Bermuda. When you arrive, signs will direct you to the appropriate meeting room. Please note that due to security reasons, all bags will be subject to search. We will be unable to admit anyone who does not comply with these security procedures. Cameras and other recording devices will not be permitted in the meeting room.

We encourage all shareholders, even those who plan to attend the Annual Meeting, to vote in advance. If you intend to vote at the Annual Meeting, you must provide our Secretary with oral or written notice either at or prior to the meeting.

**What is a proxy? How do I appoint a proxy and instruct that individual how to vote on my behalf?**

A proxy is your legal designation of another person to vote on your behalf the common shares that you hold.

You can appoint the proxies recommended by our board of directors (*i.e.*, Mark A. Casale and Lawrence E. McAlee; see "What does solicitation of proxies mean?" below) to vote on your behalf, and give those individuals voting instructions by following the directions on the proxy card.

If you are a shareholder of record, you may also appoint another individual to represent you at the Annual Meeting by notifying our Secretary in writing before the Annual Meeting begins. Your appointed proxy must provide valid picture identification to be admitted to the Annual Meeting.

If you are a beneficial owner, please contact the broker that holds your common shares if you intend to appoint a proxy that is different from those recommended by our board of directors.

**What does solicitation of proxies mean?**

In a solicitation of proxies, one party (in this case, our board of directors) encourages shareholders to appoint one or more particular individuals (in this case, Mark A. Casale, our Chairman of the Board of Directors, Chief Executive Officer and President, and Lawrence E. McAlee, our Senior Vice President and Chief Financial Officer) to vote on their behalf (*i.e.*, to vote as their proxy in accordance with their instructions).

We will bear the expense of printing and mailing proxy materials. In addition to this solicitation of proxies by mail, our directors, officers and other employees may solicit proxies by personal interview, telephone, facsimile or e-mail. They will not be paid any additional compensation for such solicitation. We will request brokers and intermediaries who hold our common shares in their names to furnish proxy materials to beneficial owners of the shares. We will reimburse such brokers and intermediaries for their reasonable expenses incurred in forwarding solicitation materials to such beneficial owners.

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Beneficial owners will be asked to forward the proxy materials to the broker that holds their common shares. That entity will be reimbursed for its reasonable expenses incurred in connection with distributing and collecting proxy materials.

**What else will happen at the Annual Meeting?**

At the Annual Meeting, the only item currently on the agenda other than the election of directors and the re-appointment of our independent registered public accounting firm is for the shareholders to receive our financial statements and the report of our independent registered public accounting firm thereon for the year ended December 31, 2014.

**How can I access Essent Group Ltd.'s proxy materials and annual report electronically?**

This proxy statement and our 2014 Annual Report to Shareholders, including our Annual Report on Form 10-K for the year ended December 31, 2014, are available on our website at [www.essentgroup.com](http://www.essentgroup.com).

**How do I find out the voting results?**

Preliminary voting results will be announced at the Annual Meeting, and final voting results will be filed with the SEC within 4 business days following the Annual Meeting.

**JOBS Act Explanatory Note**

Until December 31, 2014, we were an "emerging growth company" under applicable U.S. federal securities laws and therefore were permitted to take advantage of certain reduced public company reporting requirements. Beginning in 2015, we are required to provide a Compensation Discussion and Analysis and full executive compensation disclosures applicable to companies that are not "emerging growth companies." However, as a company that was an "emerging growth company" for less than two years following the first registered sale of our equity securities, our first votes seeking approval, on a non-binding advisory basis, of the compensation of our named executive officers and the frequency with which such votes must be conducted, are not required to be held until our 2016 Annual General Meeting of Shareholders.

Table of Contents**BOARD OF DIRECTORS****General**

Our board of directors is composed of nine directors. Our bye-laws provide that our directors be divided into three classes consisting, as nearly as possible, of one-third of the total number of directors constituting the entire board. Our directors hold office until their successors have been elected and qualified, or the earlier of their death, resignation or removal. Vacancies on the board of directors may be filled by the shareholders or by the board of directors. A vacancy caused by the loss of the Pine Brook designee, as described in more detail below, will be filled at the direction of Pine Brook. Our system of electing and removing directors may delay or prevent a change of our management or a change in control of our Company.

In addition to the information presented below regarding each director's specific experiences, qualifications, attributes and skills, we believe that all of our directors have a reputation for integrity and adherence to high ethical standards. Each of our directors has demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to us and our board. There are no family relationships among any of our directors or executive officers.

**Nominees for Election as Class I Directors for a Three Year Term Continuing Until the 2018 Annual General Meeting of Shareholders**

The following table identifies the members of our board of directors nominated for re-election at the Annual Meeting as Class I directors to serve through the 2018 Annual General Meeting of Shareholders or until his successor is duly elected and qualified:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Aditya Dutt	39	Director
Roy J. Kasmar	59	Director
Andrew Turnbull	46	Director

The nominees for re-election as Class I directors were recommended for nomination to our board by the nominating and corporate governance committee. Unless otherwise specified in the accompanying proxy, the shares voted pursuant thereto will be cast for each of Aditya Dutt, Roy J. Kasmar and Andrew Turnbull to serve as Class I directors through the 2018 Annual General Meeting of Shareholders. If, for any reason, any nominee is unable or unwilling to serve, the persons named in the proxy will use their best judgment in selecting and voting for a substitute candidate or our board of directors may reduce the number of directors. Our board of directors, however, has no reason to believe that any of the nominees will be unable or unwilling to be a candidate for election at the time of the Annual Meeting.

The following biographical information is furnished as to each nominee for election as a director at the Annual Meeting:

*Aditya Dutt* has served as a member of our board of directors since 2010. Mr. Dutt currently serves as the senior vice president of RenaissanceRe Holdings Ltd., a reinsurance company, president of Renaissance Underwriting Managers, Ltd. and a member of RenaissanceRe's executive committee. Mr. Dutt's responsibilities include managing all of RenaissanceRe's catastrophic reinsurance joint ventures, strategic investments and insurance-linked securities investments. Prior to joining RenaissanceRe in 2008, Mr. Dutt served as executive director in Morgan Stanley's investment banking division in New York and Hong Kong, responsible for executing strategic transactions including mergers, acquisitions, divestitures and capital-raising for the insurance and reinsurance industry. Prior to Morgan Stanley, Mr. Dutt worked at Salomon Brothers in the corporate finance and fixed income departments in Hong Kong. Mr. Dutt holds a BA in mathematics from Dartmouth College. We believe

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that Mr. Dutt is qualified to serve on our board of directors because of his experience in the insurance and reinsurance industry.

*Roy J. Kasmar* has served as a member of our board of directors since the consummation of our initial public offering in November 2013. Mr. Kasmar has been a member of the board of directors of our mortgage insurance subsidiary, Essent Guaranty, Inc., since 2012. Mr. Kasmar is currently the president of Kazmar Co. LLC, which provides advisory services to the mortgage and mortgage insurance industry. Mr. Kasmar has over 30 years of experience in the mortgage and mortgage insurance industry. Prior to forming Kazmar Co. LLC, Mr. Kasmar served as the president of Radian Group Inc. and Radian Guaranty Inc., a private mortgage insurer, from 1999 to 2007. Prior to joining Radian, Mr. Kasmar served as the president and chief operating officer of Amerin Guaranty Corporation, a mortgage insurer, from 1996 to 1999. Additionally, Mr. Kasmar has held senior management positions with Prudential Home Mortgage, First Boston Capital Group and Chase Home Mortgage. Mr. Kasmar holds a BS in economics and business administration from Drury College and an MBA in finance from Fairleigh Dickinson University. We believe that Mr. Kasmar is qualified to serve on our board of directors because of his experience in the mortgage and mortgage insurance industries, including his prior role as president of Radian Group Inc. and Radian Guaranty Inc.

*Andrew Turnbull* has served as a member of our board of directors since 2013. Mr. Turnbull has almost 20 years of insurance and reinsurance experience, including the underwriting, pricing and risk management of alternative risk transfer products and derivatives. Mr. Turnbull currently serves as group strategy and business development officer of PartnerRe Ltd., a reinsurance company, a position he has held since 2011. From 2008 to 2011, Mr. Turnbull held various roles with Torus Insurance Holdings Limited, including serving as its chief operating officer and principal representative for the group's flagship carrier, and as group chief actuary. Prior to joining Torus, Mr. Turnbull managed the non-traditional insurance and reinsurance business of XL Capital Ltd., and served as executive vice president of XL Insurance (Bermuda) Ltd and XL Re Ltd. He holds a joint BSc (Hons) degree in mathematics and statistics from the University of Edinburgh and is a Fellow of the Casualty Actuarial Society, the Society of Actuaries, the Institute and Faculty of Actuaries and is a member of the American Academy of Actuaries. We believe that Mr. Turnbull is qualified to serve on our board of directors because of his experience in the insurance and reinsurance industry.

### **Directors Whose Terms Do Not Expire at the Annual Meeting**

The following table sets forth information with respect to the remaining members of our board of directors:

Name	Age	Position	Annual Meeting at Which Term Expires
Robert Glanville	48	Director	2016
Allan Levine	46	Director	2016
Vipul Tandon	41	Director	2016
Mark A. Casale	50	Chairman of the Board of Directors, Chief Executive Officer and President	2017
Douglas J. Pauls	56	Director	2017
William Spiegel	52	Director	2017

The following biographical information is furnished as to each of the remaining members of our board of directors:

*Robert Glanville* has served as a member of our board of directors since 2008. Mr. Glanville is a founding partner and has served as a managing director on the financial services investment team of Pine Brook Road Partners, LLC, an investment firm, since 2006. He is also a member of Pine Brook's

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investment committee. Mr. Glanville currently represents Pine Brook as a director of Syndicate Holding Corp. and United PanAm Financial Corp. From 2003 to 2006, Mr. Glanville was senior vice president, financial and treasury services for Arch Capital Group, Ltd., an insurance and reinsurance company. From 1999 to 2003, Mr. Glanville was employed by Warburg Pincus, a private equity firm. Before joining Warburg Pincus, Mr. Glanville founded FA Services, an emerging markets financial services and investment boutique based in Moscow. From 1988 to 1992, Mr. Glanville worked in New York and Tokyo for Morgan Stanley, an investment banking firm, specializing in corporate finance and M&A. Mr. Glanville holds an AB in American history from Princeton University. We believe that Mr. Glanville is qualified to serve on our board of directors because of his experience in private equity fund management and his financial expertise, as well as his management experience with financial services and insurance and reinsurance companies.

*Allan Levine* has served as a member of our board of directors since 2008. Mr. Levine currently is the chairman and chief executive officer of Global Atlantic Financial Group, a global financial services company, formerly the Goldman Sachs Reinsurance Group. Prior to the spin-off of Global Atlantic from Goldman Sachs in 2013, Mr. Levine was a partner and managing director of Goldman, Sachs & Co. and global head of the Goldman Sachs Reinsurance Group, and prior to assuming that role, was co-head of the firm's strategy group. Prior to joining Goldman Sachs in 1997, Mr. Levine worked for Ernst & Young. Mr. Levine holds a BS from Miami University and an MBA from Columbia Business School. We believe that Mr. Levine is qualified to serve on our board of directors because of his extensive experience in the financial services and insurance and reinsurance industries as well as his financial expertise.

*Vipul Tandon* has served as a member of our board of directors since 2010. Mr. Tandon is a managing director in the private equity group of Soros Fund Management, which he joined in 2006. Previously, Mr. Tandon served as a vice president in the special situations group of American Capital Strategies, a vice president of Foamex International, an associate at both Frontline Capital Group and Trace International, and an analyst at DLJ Merchant Banking Partners. Mr. Tandon holds both a BS in economics and a BA in international relations from The University of Pennsylvania and an MBA from INSEAD. We believe that Mr. Tandon is qualified to serve on our board of directors because of his experience in private equity fund management and his financial expertise.

*Mark A. Casale* is our founder and has served as our Chief Executive Officer and as a member of our board of directors since 2008, including as its Chairman since 2013. Mr. Casale has more than 25 years of financial services management experience, with senior roles in the areas of mortgage banking, mortgage insurance, bond insurance and capital markets. From 2001 to 2007, Mr. Casale held various senior management positions with Radian Group Inc., including most recently serving as the president of its mortgage insurance subsidiary, Radian Guaranty Inc. Prior to that, Mr. Casale oversaw capital markets and strategic investments for Radian and managed its joint venture businesses. Mr. Casale also held various management positions with Advanta Corp., a financial services company, including serving as its senior vice president of corporate finance services. Mr. Casale holds a BS in accounting from St. Joseph's University and an MBA in finance from New York University. We believe that Mr. Casale is qualified to serve on our board of directors because of his experience in the mortgage and mortgage insurance industries as well as his extensive knowledge of our operations.

*Douglas J. Pauls* has served as a member of our board of directors since December 2013. Mr. Pauls has over 30 years of experience in the areas of finance, accounting, internal controls, and financial reporting for public companies, including most recently senior roles with financial institutions. Mr. Pauls served as chief financial officer of BankUnited, Inc., a bank holding company, from 2009 until his retirement in 2013. From 2008 until 2009, Mr. Pauls served as executive vice president of finance for TD Bank, NA following TD Bank's acquisition of Commerce Bancorp, Inc. in March 2008. Prior to that, Mr. Pauls held several positions with Commerce Bancorp, including serving as its chief financial officer from 2002 until the acquisition by TD Bank and its chief accounting officer from

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1995 to 2002. Earlier in his career, Mr. Pauls was a senior manager in the audit department of Ernst & Young in Philadelphia and Pittsburgh, Pennsylvania. He is currently a director of BankUnited, Inc. Mr. Pauls holds a BA in economics from Dickinson College and serves on Dickinson's Board of Trustees. We believe that Mr. Pauls is qualified to serve on our board of directors because of his more than 30 years of experience as a corporate executive and his experience as a chief financial officer of publicly traded companies.

*William Spiegel* has served as a member of our board of directors since 2008. Mr. Spiegel is a founding partner and a managing director of Pine Brook Road Partners, LLC, an investment firm, where he is responsible for managing its financial services investing activities. He is also a member of Pine Brook's investment committee. Mr. Spiegel currently represents Pine Brook as a director of Aurigen Capital Limited, Third Point Reinsurance Ltd., Global Atlantic Financial Group, Green Bancorp, Inc. and Syndicate Holding Corp. Mr. Spiegel has over 20 years of private equity investment experience. Prior to joining Pine Brook, Mr. Spiegel was with The Cypress Group from its inception in 1994 until 2006. Prior to joining The Cypress Group, Mr. Spiegel worked in the Merchant Banking Group at Lehman Brothers. He has served on the board of directors of numerous companies, including four publicly traded corporations. Mr. Spiegel holds a BSc in economics from The London School of Economics and Political Science, an MA in economics from the University of Western Ontario and an MBA from The University of Chicago. We believe that Mr. Spiegel is qualified to serve on our board of directors because of his experience in private equity fund management and his financial expertise, as well as his experience as a director of public and private companies.

**Voting Arrangements**

Upon the consummation of our initial public offering in November 2013, we entered into a shareholders agreement with Essent Intermediate, L.P. and Pine Brook Essent Co-Invest, L.P. (which we refer to collectively as "Pine Brook"), pursuant to which, for so long as Pine Brook holds at least 35% of the common shares held by it at the consummation of our initial public offering, Pine Brook will have the right to nominate one Class III director (the "Pine Brook designee") to the board of directors at each annual general meeting of shareholders at which the term of the Pine Brook designee expires. In addition, we are required under the shareholders agreement to use commercially reasonable efforts to take all necessary and desirable actions within our control to cause the election, removal and replacement of the Pine Brook designee in accordance with the agreement and applicable law. In the event that the Pine Brook designee ceases to serve on our board of directors, the resulting vacancy may be filled by an individual designated by Pine Brook. See "Certain Relationships and Related Party Transactions Pine Brook Shareholders Agreement" elsewhere in this proxy statement.

Pine Brook has designated William Spiegel as the Pine Brook designee under the shareholders agreement, and accordingly Mr. Spiegel was nominated for election (and subsequently elected) at the 2014 Annual General Meeting of Shareholders to the board of director as a Class III director to serve until the 2017 Annual General Meeting of Shareholders.



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**CORPORATE GOVERNANCE**

**Our Commitment to Corporate Governance**

Our board of directors and management have a strong commitment to effective corporate governance. We believe that we maintain a comprehensive corporate governance framework for our operations which, among other things, takes into account the requirements of the Securities and Exchange Commission (SEC), the New York Stock Exchange (NYSE), the Sarbanes-Oxley Act of 2002 and the Dodd-Frank Wall Street Reform and Consumer Protection Act. The key components of this framework are set forth in:

our bye-laws;

our Corporate Governance Guidelines;

our Code of Business Conduct and Ethics;

our Related Party Transaction Policy;

our Audit Committee Charter;

our Compensation Committee Charter;

our Nominating and Corporate Governance Committee Charter; and

our Risk Committee Charter.

A copy of each of these documents is published on our website at [www.essentgroup.com](http://www.essentgroup.com), except our bye-laws, which are filed with the SEC and can be found on the SEC's website at [www.sec.gov](http://www.sec.gov). Each of these documents is available in print to any shareholder upon request by writing to our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Our board of directors regularly reviews corporate governance developments and modifies our committee charters and key practices and policies as our board believes to be warranted.

**Corporate Governance Guidelines**

Our board of directors has adopted Corporate Governance Guidelines that serve as a flexible framework within which our board of directors and its committees operate. These guidelines cover a number of areas including the size and composition of the board, board membership criteria and director qualifications, director responsibilities, board agenda, roles of the chairman of the board and chief executive officer, meetings of independent directors, committee responsibilities and assignments, board member access to management and independent advisors, director communications with third parties, director compensation, director orientation and continuing education, evaluation of senior management and management succession planning.

**Code of Business Conduct and Ethics**

Our Code of Business Conduct and Ethics includes information regarding procedures established by the audit committee for the submission of complaints about our accounting or auditing matters. Our Code of Business Conduct and Ethics is applicable to our directors, executives and employees, and reflects and reinforces our commitment to integrity in the conduct of our business. Amendments to our Code of Business Conduct and Ethics and any grant of a waiver from a provision of our Code of Business Conduct and Ethics will be included in a current report on Form 8-K within four days of the date of the amendment or waiver, unless posting such information on our website will then satisfy the rules

of the NYSE.

Our audit committee, on behalf of itself and our other non-management directors, has established procedures to enable employees or other parties who may have a concern about our conduct or policies

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to communicate that concern. Our employees are encouraged and expected to report any conduct which they believe in good faith to be an actual or apparent violation of our Code of Business Conduct and Ethics. In addition, our audit committee has established procedures pertaining to receiving, retaining, and treating complaints received regarding accounting, internal accounting controls, or auditing matters, and with respect to the confidential, anonymous submission by our employees of concerns regarding, among other things, questionable accounting or auditing matters. Such communications may be confidential or anonymous, and may be e-mailed, submitted in writing, or reported by phone through various internal and external mechanisms as provided on the our internal website. Additional procedures by which internal communications may be made are provided to each employee.

Our Code of Business Conduct and Ethics prohibits any employee or director from retaliating or taking any adverse action against anyone for raising or helping to resolve an integrity concern.

**Board Leadership Structure**

Our board of directors does not have a policy regarding the separation of the roles of chief executive officer and chairman of our board of directors, as our board of directors believes it is in our best interests to make that determination based on the position and direction of the Company and the membership of our board of directors.

Both the chairman and chief executive officer positions are currently held by Mr. Casale. Pursuant to our Corporate Governance Guidelines, in the event that the role of chairman is held by a member of our management, the independent members of our board of directors may designate one independent director to serve as the lead independent director. Mr. Spiegel currently serves as our lead independent director. Under the terms of our Corporate Governance Guidelines, the lead independent director has broad responsibility and authority, including:

organizing and presiding over all meetings of our board of directors at which the chairman is not present, including all executive sessions of our non-management and independent directors;

servicing as the liaison between the chairman and the non-management directors;

overseeing the information sent to our board of directors by management;

approving meeting agendas and schedules for our board of directors;

facilitating communication between our board of directors and management; and

performing such other duties as requested by our board of directors.

Our board of directors has determined that having Mr. Casale serve as both our chief executive officer and the chairman of our board of directors, along with a lead independent director, is in the best interests of the Company and our shareholders at this time.

A number of factors support the leadership structure chosen by our board, including, among others:

Mr. Casale has extensive knowledge of all aspects of us and our business and risks, our industry and our customers, is intimately involved in our day-to-day operations and is best positioned to elevate the most critical business issues for consideration by our board of directors;

our board of directors believes having Mr. Casale serve in both capacities allows him to more effectively execute our strategic initiatives and business plans and confront our challenges;

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the combined role is both counterbalanced and enhanced by the effective oversight and independence of our board of directors and the independent leadership provided by our lead independent director and independent committee chairs; and

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our board of directors believes that the appointment of a strong lead independent director and the use of regular executive sessions of the non-management directors, along with the board's strong committee system and all directors being independent except for Mr. Casale, allow it to maintain effective oversight of management.

**Determination of Director Independence**

Our board of directors has considered whether our directors qualify as "independent" directors in accordance with NYSE listing requirements and has determined that only Mr. Casale is not considered to be independent, as he is an employee of the Company. The NYSE independence definition include a series of objective tests, such as that the director is not, and has not been for at least three years, one of our employees and that neither the director nor any of his family members has engaged in various types of business dealings with us. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as they may relate to us and our management.

**Meetings and Committees of our Board of Directors**

Our board of directors met five times during 2014. Each incumbent director attended at least 75% of the aggregate meetings of our board of directors during 2014 that were held following his election and of the meetings held by all board committees on which he served. Although we do not have a policy regarding the attendance of our board members at our annual general meetings of shareholders, we encourage all directors to attend our annual general meetings of shareholders. All of our directors at the time of our 2014 Annual General Meeting of Shareholders were present at that meeting other than Mr. Levine.

Our non-management and independent directors also hold regular meetings without our management being present. Our non-management and independent directors held four such meetings in 2014.

Our board of directors maintains standing audit, compensation, nominating and corporate governance, and risk committees. Each committee has a charter that, among other things, reflects what we believe to be the best current practices in corporate governance.

*Audit Committee*

The audit committee has the responsibility for, among other things, assisting the board of directors in reviewing our financial reporting and other internal control processes, our financial statements, the independent auditors' qualifications, independence and compensation, the performance of our internal audit function and independent auditors, and our compliance with legal and regulatory requirements and our Code of Business Conduct and Ethics.

Our audit committee consists of Messrs. Pauls, Dutt, Glanville, Tandon and Turnbull. Mr. Pauls serves as the chairman of the audit committee. Our board of directors has determined that all of the members of the audit committee are independent, and meet the requirements for financial literacy, under applicable rules and regulations of the SEC and the NYSE. Our board of directors has determined that each of Messrs. Pauls and Glanville is an "audit committee financial expert" as defined under the applicable rules of the SEC and has the requisite financial sophistication as defined under the applicable rules and regulations of the NYSE.

The audit committee met four times during 2014.

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*Compensation Committee*

The compensation committee has the responsibility for, among other things, determining the compensation of our executive officers and directors, reviewing our executive compensation policies and plans, administering and implementing our equity compensation plans, and preparing a report on executive compensation for inclusion in our proxy statement for our annual meeting.

Our compensation committee consists of Messrs. Kasmar, Levine and Spiegel. Mr. Kasmar serves as the chairman of our compensation committee. Our board of directors has determined that all of the members of the compensation committee are independent under applicable rules and regulations of the SEC and the NYSE. Each of the members of our compensation committee is an "outside director" as that term is defined in Section 162(m) of the Internal Revenue Code.

The compensation committee met four times during 2014.

*Nominating and Corporate Governance Committee*

The nominating and corporate governance committee has the responsibility for, among other things, reviewing board structure, composition and practices, and making recommendations on these matters to our board of directors, reviewing, soliciting and making recommendations to our board of directors and shareholders with respect to candidates for election to the board of directors, overseeing our board of directors' performance and self-evaluation process, and developing and reviewing a set of corporate governance principles for the Company.

Our nominating and corporate governance committee consists of Messrs. Spiegel, Levine and Kasmar. Mr. Spiegel serves as the chairperson of our nominating and corporate governance committee. Our board of directors has determined that all of the members of the nominating and corporate governance committee are independent under applicable rules and regulations of the SEC and the NYSE.

The nominating and corporate governance committee met four times during 2014.

*Risk Committee*

The risk committee has the responsibility for, among other things, assisting with the oversight of key risks that we face and the review of our investing activities.

Our risk committee consists of Messrs. Glanville, Dutt, Pauls, Tandon and Turnbull. Mr. Glanville serves as the chairman of our risk committee.

The risk committee met four times during 2014.

**Board of Directors' Role in Risk Oversight**

Our board of directors as a whole has responsibility for risk oversight, with reviews of certain areas being conducted by the relevant committees of the board that report on their deliberations to the board. The oversight responsibility of our board of directors and its committees is enabled by management reporting processes that are designed to provide visibility to the board about the identification, assessment and management of critical risks and management's risk mitigation strategies. These areas of focus include competitive, economic, operational, financial (accounting, credit, liquidity

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and tax), legal, regulatory, compliance and reputational risks. Our board of directors and its committees oversee risks associated with their respective principal areas of focus, as summarized below.

<b>Committee</b>	<b>Primary Areas of Risk Oversight</b>
Audit Committee	Risks and exposures associated with financial matters, particularly financial reporting, tax, accounting, disclosures, compliance, internal control over financial reporting, financial policies and credit and liquidity matters and our enterprise risk management program.
Nominating and Corporate Governance Committee	Risks and exposures associated with leadership and succession planning and corporate governance.
Compensation Committee	Risks and exposures associated with executive compensation programs and arrangements, including incentive plans.
Risk Committee	Risks associated with insurance and investment portfolios and investment guidelines, including credit, underwriting, pricing risk, market risk and liquidity risk.

**Director Nominations**

The nominating and corporate governance committee is responsible for recommending to our board of directors candidates for nomination and election as directors at annual general meetings of shareholders or for appointment to fill vacancies on the board. The committee annually reviews with the board the applicable skills and characteristics required of board nominees in the context of current board composition and company circumstances. In making its recommendations to our board of directors, the nominating and corporate governance committee considers, among other things, the qualifications of individual director candidates in light of the criteria described below. In accordance with its charter, the committee may use a variety of sources, including but not limited to executive search firms, to identify director candidates, and has the authority to retain and approve compensation for such firms.

In evaluating a candidate, our corporate governance and nominating committee and our board of directors takes into account a variety of factors as it deems to be appropriate, including the following:

high personal and professional ethics, values and integrity;

sound business judgment and financially literacy;

diversity of point of view, including the candidate's education, skill, professional background, personal accomplishments, geography, race, gender, age, ethnic background, national origin, experience with mortgage, insurance, reinsurance or other businesses and organizations that our board deems relevant and useful, including whether such attributes or background would contribute to the diversity of the board as a whole;

ability and willingness to serve on any committees of our board of directors;

ability and willingness to commit adequate time to the proper functioning of our board of directors and its committees; and

any criteria regarding independence and other matters required by the NYSE or other applicable law or regulations.

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Based on the information available to the corporate governance and nominating committee about a potential nominee, the committee will make an initial determination whether to conduct a full evaluation of a candidate. As part of the full evaluation process, the corporate governance and nominating committee may conduct interviews, obtain additional background information and conduct reference checks of potential nominees. The corporate governance and nominating committee may also ask potential nominees to meet with management and other members of our board of directors. After completing this evaluation process, the corporate governance and nominating committee makes a recommendation to the full board of directors, which makes the final determination whether to nominate the candidate as a director.

Our board of directors evaluates each individual in the context of the board as a whole, with the objective of recommending a group that can perpetuate the success of our business and represent shareholder interests through the exercise of sound judgment, using its diversity of experience.

Each director is expected to maintain an acceptable level of attendance, preparedness and participation with respect to meetings of the board of directors and its committees. In determining whether to recommend a director for re-election, the nominating and corporate governance committee also considers the director's past attendance at meetings, participation in and contributions to the activities of our board of directors, and the results of the most recent board self-evaluation.

Shareholders desiring to recommend nominees should submit their recommendations in writing to our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. Recommendations from shareholders should include pertinent information concerning the proposed nominee's background and experience. The corporate governance and nominating committee may consider, as one of the factors in its evaluation of shareholder recommended nominees, the size and duration of the interest of the recommending shareholder or shareholder group in our capital stock. The corporate governance and nominating committee may also consider the extent to which the recommending shareholder intends to continue holding its interest in our capital stock, including, in the case of nominees recommended for election at an annual general meeting of shareholders, whether the recommending shareholder intends to continue holding its interest at least through the time of such annual general meeting of shareholders.

**Communications with our Board of Directors and Non-Management Directors**

Any shareholder or other interested party that desires to communicate directly with our board of directors, any committee of the board of directors or our non-management directors as a group may do so by addressing the communication in care of our Secretary at Essent Group Ltd., Clarendon House, 2 Church Street, Hamilton HM11, Bermuda with a request to forward the communication to the intended recipient. The Secretary's office opens all such correspondence and forwards it to the relevant director or group of directors, except for items unrelated to the functions of the board, including business solicitations or advertisements.

**Director Compensation**

The compensation committee reviews and establishes the compensation of our non-employee directors. Our director compensation program is designed to compensate our non-employee directors for their service to the Company and the level of responsibility they have assumed in today's corporate governance environment.

The board of directors, in conjunction with the compensation committee, retains the services of the committee's independent compensation consultant to review periodically the non-employee director compensation program in comparison with market data. Based on data and analyses presented by Hay Group in connection with our initial public offering in November 2013, our board of directors determined that the total annual compensation of the non-employee directors was at that time



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positioned at the median of the peer group (for additional information regarding our peer group, see below under "Executive Officers and Executive Compensation Compensation Discussion and Analysis Peer Group Composition" on page 20).

The compensation arrangements for the non-employee directors of the board for 2014 are described below. Mr. Casale, the chairman of the board of directors, chief executive officer and president, did not receive additional compensation for serving as member of our board of directors.

For 2014, our non-employee directors were entitled to receive the following compensation in consideration of their board service:

Annual Cash Retainer	\$ 70,000
Additional Annual Cash Retainer for Board Committee Chairperson	
Audit Committee	\$ 15,000
Compensation Committee	\$ 10,000
Nominating and Corporate Governance Committee	\$ 5,000
Additional Annual Cash Retainer for Board Committee Member	
Audit Committee	\$ 10,000
Compensation Committee	\$ 7,500
Nominating and Corporate Governance Committee	\$ 5,000
Additional Annual Cash Retainer for Lead Independent Director	\$ 15,000

In addition, each non-employee director is entitled to receive an annual equity award valued at \$110,000 in the form of restricted common share units granted under the Essent Group Ltd. 2013 Long Term Incentive Plan, or 2013 Plan, that vest on the first anniversary of the grant date (which is the date of our annual general meeting of shareholders). If a non-employee director joins our board of directors after the grant date for the annual equity award, such director will receive a prorated award based on the date he or she joined our board.

The following table sets forth compensation earned by our non-employee directors during the year ended December 31, 2014:

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Non-qualified Deferred Compensation (\$)	All Other Compensation (\$)	Total (\$)
Aditya Dutt	80,000	171,456					251,456
Robert Glanville	80,000	171,456					251,456
Roy J. Kasmar	92,500	171,456					263,956
Alan Levine	82,500	171,456					253,956
Douglas J. Pauls	95,000	161,215					256,215
William Spiegel	102,500	171,456					273,956
Vipul Tandon	80,000	171,456					251,456
Andrew Turnbull	80,000	171,456					251,456

(1)

The amounts reported in this column represent the aggregate grant date fair value of the restricted common share units granted in 2014 computed in accordance with ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For additional information, including a discussion of the assumptions used to calculate these values, see note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014. On May 6, 2014, each of Messrs. Dutt, Glanville, Kasmar, Levine, Spiegel, Tandon and Turnbull received 3,235 restricted common share units, while Mr. Pauls

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received 2,696 restricted common share units, in respect of their board service between our initial public offering in November 2013 and May 6, 2014 (which such shares became vested on November 1, 2014, the first anniversary of our initial public offering). On May 6, 2014, each of our non-employee directors received an additional 5,789 restricted common share units in respect of their board service through our 2015 Annual General Meeting of Shareholders, which such restricted common share units were the only outstanding equity-based awards held by our non-employee directors on December 31, 2014.

**Succession Planning**

Our board of directors, primarily through the nominating and corporate governance committee, assesses succession planning for management and leadership, with a primary focus on succession in the event of the unexpected incapacity of our chairman of the board of directors, chief executive officer and president. Our Corporate Governance Guidelines provide that our chairman, chief executive officer and president should at all times make available to our board, on a confidential basis, his recommendations and evaluations of potential successors.

**Indemnification**

Our bye-laws provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Bermuda law.

We have entered into agreements to indemnify each of our directors and officers. These agreements provide for indemnification of our directors and officers to the fullest extent permitted by applicable Bermuda law against all expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by any such person in actions or proceedings, including actions by us or in our right, arising out of such person's services as our director or officer, any of our subsidiaries or any other company or enterprise to which the person provided services at our request.

We believe that these bye-law provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

We also maintain standard policies of insurance that provide coverage (i) to our directors and officers against loss rising from claims made by reason of breach of duty or other wrongful act and (ii) to us with respect to indemnification payments that we may make to such directors and officers.

**Compensation Committee Interlocks and Insider Participation**

Roy J. Kasmar, Allan Levine and William Spiegel served as the members of our compensation committee in 2014. None of the members of our compensation committee is an officer or employee of our Company. None of our executive officers serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Table of Contents**EXECUTIVE OFFICERS AND EXECUTIVE COMPENSATION****Executive Officers**

The following table identifies each of our executive officers:

<b>Name</b>	<b>Age</b>	<b>Position</b>
Mark A. Casale	50	Chairman of the Board of Directors, Chief Executive Officer and President
Lawrence E. McAlee	51	Senior Vice President and Chief Financial Officer
Vijay Bhasin	50	Senior Vice President and Chief Risk Officer
Mary Lourdes Gibbons	53	Senior Vice President, Chief Legal Officer and Assistant Secretary
David B. Weinstock	50	Vice President and Chief Accounting Officer

The following are biographical summaries of our executive officers, except for Mr. Casale, whose biography is included in the section entitled "Board of Directors" above.

*Lawrence E. McAlee* has served as our Senior Vice President and Chief Financial Officer since 2009. Mr. McAlee has over 20 years of experience in the areas of finance, accounting, controls and risk management. Between 2002 and 2009, Mr. McAlee held a series of senior management positions at Sovereign Bancorp, Inc., including serving as its chief accounting officer, general auditor and chief enterprise risk management officer. Prior to joining Sovereign, Mr. McAlee was a partner with Arthur Andersen LLP. Mr. McAlee holds a BS in accounting from St. Joseph's University and is a certified public accountant.

*Vijay Bhasin* has served as our Senior Vice President and Chief Risk Officer since 2009. Mr. Bhasin has significant mortgage finance industry expertise, including holding multiple senior management positions specializing in mortgage risk, modeling and analytics. From 2006 to 2008, Mr. Bhasin served as a managing director of Countrywide Financial Corporation/Bank of America, a mortgage lender, with responsibility for capital assessment, asset liability management, counterparty credit risk measurement and structured credit analytics. Earlier in his career, Mr. Bhasin held several management positions with the Federal Home Loan Mortgage Corporation (Freddie Mac), including vice president for credit and prepayment modeling, and held research positions with Fannie Mae and the Board of Governors of the Federal Reserve System. Mr. Bhasin holds a BS in mechanical engineering from the National Institute of Technology, Kurukshetra, India, an MBA in finance and marketing from Southern Illinois University, and a PhD in finance from Indiana University, Bloomington.

*Mary Lourdes Gibbons* has served as our Senior Vice President, Chief Legal Officer and Assistant Secretary since 2008. Ms. Gibbons has more than 20 years of experience in the mortgage industry. From 2003 to 2008, Ms. Gibbons served as chief legal officer of Wilmington Finance, Inc., a mortgage lender. Ms. Gibbons began her career at the U.S. Bankruptcy Court and White and Williams LLP, a law firm. Ms. Gibbons' mortgage-related experience includes senior roles at ContiMortgage Corp. and Advanta Mortgage Corp. Ms. Gibbons holds a BS in marketing from St. Joseph's University and a JD from The Delaware Law School.

*David B. Weinstock* has served as our Vice President and Chief Accounting Officer since 2009. Mr. Weinstock has over 20 years of experience in the areas of finance, accounting and controls. Between 1998 and 2009, Mr. Weinstock held a series of senior management positions at Advanta Corp., including serving as its chief accounting officer and vice president of investor relations. Prior to joining Advanta, Mr. Weinstock was a senior manager at Arthur Andersen LLP. Mr. Weinstock holds a BS in accounting from The Pennsylvania State University and is a certified public accountant.

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Our executive officers are appointed by our board of directors and serve until their successors have been duly appointed and qualified or their earlier resignation or removal.

### **Compensation Discussion and Analysis**

This Compensation Discussion and Analysis describes our executive compensation program for our named executive officers, whose compensation is set forth in the Summary Compensation Table elsewhere in this proxy statement.

For the year ended December 31, 2014, our named executive officers were:

Mark A. Casale, Chairman of the Board of Directors, Chief Executive Officer and President

Lawrence E. McAlee, Senior Vice President and Chief Financial Officer

Adolfo F. Marzol, Executive Vice President

Vijay Bhasin, Senior Vice President and Chief Risk Officer

Mary Lourdes Gibbons, Senior Vice President, Chief Legal Officer and Assistant Secretary

On March 31, 2015, Mr. Marzol retired after serving as our Executive Vice President since 2009. We thank Mr. Marzol for his years of dedication and leadership and wish him well.

### ***Executive Summary***

The following summarizes our Company's pay-for-performance and key compensation-related actions that we took in 2014 and demonstrates the alignment of our compensation program with Company performance.

### Overview of Our Performance in 2014

During 2014 (the first full year after our initial public offering in November 2013), we had a very successful year, both with respect to the financial performance of our business as well as related to the expansion of our footprint in the marketplace, which we expect will be a significant factor to our long-term success. With respect to our financial and business performance:

new insurance written in 2014 was \$24.8 billion (including \$1.8 billion in bulk new insurance written), compared to \$21.8 billion in new insurance written in 2013 exceeding our target level for 2014 by \$6.8 billion, or 38%;

1,030 "active" clients generated a commitment from us during 2014 exceeding our target level for 2014 by 30 clients; and

net income increased by 50% year-over-year, to \$88.5 million for the year ended December 31, 2014, as compared to \$65.4 million for 2013 exceeding our target level for 2014 by \$18.5 million, or 26%.

In addition, during 2014, we successfully increased business at our Bermuda reinsurance subsidiary, Essent Reinsurance Ltd. ("Essent Re"). Essent Re was selected by Freddie Mac in 2014 to participate in two transactions in which we insured in the aggregate approximately \$44 million of risk that Freddie Mac had retained. Essent Re also began reinsuring 25% of our US-based mortgage insurance business effective July 1, 2014.

### Executive Compensation Highlights

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Based in large part on the Company's strong performance in 2014 and consistent with our emphasis on performance-based compensation (see " Compensation Philosophy" below), the

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compensation of our named executive officers for 2014 was above target. The compensation committee of our board of directors, which we refer to as the "compensation committee" or the "committee" in this Compensation Discussion and Analysis, awarded each of our named executive officers the maximum incentive compensation under our annual bonus plan for 2014. In addition, in consideration of our success and the achievement of significant strategic and personal objectives in 2014, the committee awarded additional discretionary bonuses to each of Messrs. Casale, McAlee and Bhasin and Ms. Gibbons. In total, our named executive officers were awarded the following incentive compensation for 2014 as a percentage of his or her respective annual incentive compensation target: Mr. Casale 160%; Mr. McAlee 150%; Mr. Marzol 125%; Mr. Bhasin 150%; and Ms. Gibbons 150%. Consistent with the terms of our annual incentive compensation plan, 75% of the bonuses earned by each of our named executive officers were paid in cash and 25% were paid in the form of restricted common shares which vest in three equal annual installments.

No material changes in our executive compensation programs and practices were made during or with respect to our 2014 fiscal year. During 2013 in preparation for the Company's initial public offering, the compensation committee spent significant time with the Company's management and external advisors developing executive compensation programs that were intended to address the compensation of our named executive officers for 2014.

The compensation committee, with the assistance of its independent compensation consultant, engages in an ongoing review of our executive compensation program to determine that it supports the competitive compensation philosophy established by the committee and ultimately serves the interests of our shareholders.

*Process used for compensation determinations.* The committee reviewed external market data presented by its independent compensation consultant to aid it in setting market-based compensation levels. The committee also considered individual and Company performance, skill sets, experience, leadership, growth potential and other business needs as well as current best practices and developments when making compensation decisions.

*Total target cash compensation.* Total target cash compensation (generally consisting of an executive's base salary plus the portion of his or her target annual cash incentive) for 2014 was positioned around the 25<sup>th</sup> percentile of our peer group (see " Compensation Processes and Decisions During 2014" on page 26 for additional information).

*Annual equity compensation.* In light of the compensation planning performed in connection with our initial public offering, during 2014, no annual long-term equity incentive grant was made to our Chief Executive Officer, Mr. Casale, while relatively modest annual long-term equity incentive grants were made to our other named executive officers.

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Executive Compensation Best Practices

We maintain strong compensation governance practices that we believe support our pay-for-performance principles and align management incentives with the interests of our shareholders. We have adopted a number of "best practices" with respect to executive compensation, including:

	<b>What We Do</b>		<b>What We Don't Do</b>
ü	Heavy emphasis on variable ("at-risk") compensation, including targeting the median of the market when setting annual incentive pay as a percentage of base pay	x	No significant perquisites
ü	Share ownership guidelines	x	No supplemental executive retirement plans
ü	Double-trigger equity vesting in respect of time-based restricted common shares upon a change in control	x	No re-pricing of stock options
ü	Anti-hedging policy	x	No tax gross-ups on excise taxes
ü	Retain an independent compensation consultant	x	No dividends paid in respect of unearned performance-based restricted common shares

Compensation Philosophy

Our compensation philosophy centers upon:

attracting and retaining industry-leading talent to maximize shareholder value creation over the long-term by targeting compensation levels that are competitive when measured against other companies within our industry;

emphasizing performance-based compensation that appropriately rewards our executives for delivering financial, operational and strategic results that meet or exceed pre-established goals, as reflected in our annual incentive program as well as through the use of restricted common shares subject to performance-based vesting in our long-term incentive program;

rewarding individual performance and contribution to our success; and

aligning the interests of our executives with those of our shareholders and the long-term interests of the Company through equity ownership requirements and grants of equity-based awards.

***Executive Compensation Participants***

Compensation Committee Role and Permitted Members

The compensation committee oversees the compensation and benefit programs of our executive officers. The committee is responsible for ensuring that our compensation policies and practices support the successful recruitment, development, and retention of executive talent and leadership required to achieve our business objectives. The responsibilities of the compensation committee include:

approving the goals and objectives relating to our chief executive officer's compensation, evaluating the performance of our chief executive officer in light of such goals and objectives, and setting the compensation of our chief executive officer based on this evaluation;

approving the salaries and annual incentive awards of our other executive officers who report directly to our chief executive officer, including each of our senior vice presidents as well as our





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vice president and chief accounting officer, taking into account the recommendation of our chief executive officer and such other information as the compensation committee believes appropriate;

administering our equity incentive plans, including authorizing restricted common shares, restricted common share units, performance units, options and other equity-based awards under these plans;

retaining and terminating, in its sole discretion, third party consultants to assist in the evaluation of director and executive compensation (with sole authority to approve any such consultant's fees and other terms of engagement); and

assessing the appropriate structure and amount of compensation for our directors.

The committee is made up entirely of "independent" directors, consistent with the current listing standards of the NYSE. Each member of the committee also qualifies as a "non-employee director" as defined under Section 16 of the Securities Exchange Act of 1934 and as an "outside director" under Section 162(m) of the Internal Revenue Code.

Role of Management and Chief Executive Officer in Compensation Decisions

The compensation committee strongly believes in aligning the interests of our executives with those of our shareholders through an executive compensation program designed with input from our chief executive officer who is in regular dialogue with the committee and, as appropriate, the committee's independent compensation consultant, regarding internal, external, cultural, business and motivational challenges and opportunities facing us and our executive talent. To that end, our management team analyzes, with assistance from the committee's independent compensation consultant, trends and may recommend improvements to the compensation programs.

Our compensation committee seeks the views of our Chief Executive Officer in setting and administering our executive compensation programs. In particular, at the beginning of each year, Mr. Casale, our Chairman of our board of directors, Chief Executive Officer and President, oversees the development of corporate and individual goals for purposes of annual and long term compensation of each of our named executive officers (other than himself). These goals are derived from our corporate business plan and include both quantitative measurements and qualitative considerations selected to reinforce and enhance achievement of our operating and growth objectives. The compensation committee reviews these goals with Mr. Casale, adopts revisions it deems appropriate and determines the final goals for compensation.

Following the end of each year, Mr. Casale reviews with the compensation committee the achievement of corporate, business unit/regional and individual goals and the performance of each named executive officer (other than himself) and presents his recommendations (without any recommendation as to his own compensation) regarding base salary adjustments, annual bonus, and long-term equity awards for our named executive officers (other than his own) to ensure alignment of shareholder interests with each executive's goals as well as to reward the executive for their performance. While the committee receives management's input with respect to executive compensation, all decisions regarding compensation for our named executive officers are made by the committee. With respect to the non-quantitative performance measures applicable to our named executive officers, the compensation committee relies heavily on the views of Mr. Casale (other than as to himself). As our Chief Executive Officer, Mr. Casale oversees the day to day performance of the other named executive officers. As such, our compensation committee believes that he is well positioned to evaluate their performance and make recommendations as to their overall compensation.

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Independent Compensation Advisor

The compensation committee has the power to hire and fire independent compensation consultants, legal counsel, or financial or other advisors as it may deem necessary to assist it in the performance of its duties and responsibilities, without consulting or obtaining the approval of management of the Company. The compensation committee recognizes the importance of objective, independent expertise and advice in carrying out its responsibilities. In connection with its need to review and modify our executive compensation program in anticipation of our initial public offering, the compensation committee in 2013 retained Hay Group as its independent compensation consultant. Hay Group reports directly to, and is directly accountable to, the committee, and the committee has the sole authority to retain, terminate and obtain the advice of Hay Group at the Company's expense. The compensation committee selected Hay Group as consultants because of its expertise and reputation and the fact that Hay Group provides no services to the Company other than its services to the committee, has no other ties to management that could jeopardize its fully independent status, and has strong internal governance policies that help ensure that it maintains its independence. The committee continued to partner with Hay Group throughout 2014 on executive compensation matters, including a review of the recommendations previously made, and the compensation programs implemented, for 2013 and 2014, as well as advising on the preparation of this Compensation Disclosure and Analysis section. The committee, with the assistance of its independent compensation consultant, monitors market compensation practices and developments, as well as the appropriateness of the various components of the executive pay program, as our business progresses and evolves with anticipated growth and changing market conditions.

The compensation committee annually assesses the independence of the Hay Group pursuant to the rules of the SEC and the listing standards of the NYSE rules. In performing the annual independence assessment, the committee considers various factors bearing on adviser independence, including the nature and amount of work performed for the committee during the year, the nature of any unrelated services performed for the Company, the amount of fees paid for those services in relation to the firm's total revenues, the adviser's policies and procedures designed to prevent conflicts of interest, and the existence of any business or personal relationship that could impact the adviser's independence. Hay Group annually prepares an independence letter to assist the committee with information the committee is required to consider when assessing independence. Pursuant to SEC and NYSE rules, the committee assessed the independence of Hay Group most recently in August 2014 and determined that Hay Group's work for the committee has not raised any conflicts of interest. During 2014, we paid Hay Group approximately \$64,000 in fees for its services to the compensation committee relating to executive and director compensation.

***Peer Group Composition***

In making compensation decisions, the compensation committee considered competitive market data presented by its independent compensation consultant, including data derived from a peer group of companies approved by the committee.

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Until October 2014, our peer group consisted of the following 14 publicly traded companies, which the committee approved in July 2013:

Arch Capital Group Ltd.	MGIC Investment Corp.
Assurant, Inc.	Nationstar Mortgage Holdings Inc.
Everbank Financial Corp.	Ocwen Financial Corp.
Fidelity National Financial Inc.	PHH Corporation
First American Financial Corp.	Radian Group Inc.
Genworth Financial Inc.	Stewart Information Services Corp.
Markel Corporation	W.R. Berkley Corp.

In October 2014, the committee added NMI Holdings Inc., one of our competitors in the private mortgage insurance industry which completed its initial public offering in 2013, to our peer group. This expanded peer group was used by the committee to evaluate our executive compensation for 2014, although as discussed elsewhere in this Compensation Discussion Analysis no material changes were made in 2014 to our executive compensation programs and practices. In selecting peers, the compensation committee seeks to maintain consistency from year to year, to the extent appropriate and the compensation committee's intention is to update its peer group every other year (other than for events potentially calling for the immediate elimination of a peer group member, such as a merger, acquisition or bankruptcy of a peer group member). The compensation committee selected the members of this peer group based on the consideration of the size (measured by both revenue and market capitalization), industry, organizational complexity of each company, the companies that we compete with for experienced executives, and the recommendations of its independent compensation consultant.

### ***Compensation Objectives and Principles***

The compensation committee believes that the establishment and maintenance of a competitive executive compensation program is in the best interests of our shareholders. Consistent with our compensation philosophy, the executive compensation program approved by the committee is designed to facilitate the attraction and retention of top-caliber talent and to align the interests of our executives with those of our shareholders. For our fiscal year 2014:

target cash compensation of our named executive officers (consisting of base salary plus target annual incentive compensation) were determined to target generally the 25<sup>th</sup> percentile of our peer group (see " Peer Group Composition" above); and

annual incentive opportunities for our named executive officers as a percentage of base salary were determined to target the 50<sup>th</sup> percentile (median) relative to our peer group, with a mandatory requirement that 25% of each named executive officer's earned award be deferred into restricted common shares, emphasizing our focus on performance-based compensation for our named executive officers.

At the time of our initial public offering in 2013, up-front equity awards were made to key executives (including our named executive officers) to encourage retention of talent at our initial public offering and beyond. These awards were determined to be market-competitive when annualized in conjunction with the anticipated long-term incentive grant levels expected to be made following our initial public offering.



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***Compensation Processes and Decisions During 2014***

In 2014, the following actions were taken by the compensation committee with respect to the compensation of our named executive officers:

Base salaries and target annual incentive opportunities (as a percentage of base salary) were reviewed.

The compensation committee examined total target cash compensation (which consists of an executive's base salary plus the portion of his or her target annual incentive that is not mandatorily deferred into restricted common shares). The committee decided to continue the requirement that 25% of each executive's earned annual incentive award be deferred into restricted common shares (subject to a three-year vesting schedule).

The compensation committee elected to maintain the base salaries of each of the named executive officers at the level set in connection with our initial public offering in November 2013, continuing to reflect total target cash compensation positioned around the 25<sup>th</sup> percentile of our peer group (see " Peer Group Composition" above). The committee determined that setting the base salaries at the 25<sup>th</sup> percentile was appropriate given our current size in comparison to other companies in our peer group and the retention-based equity awards made in connection with our initial public offering (see " Compensation Objectives and Principles" above).

As previously highlighted, relatively modest long-term equity incentive grant levels were targeted for all key executives (including each of our named executive officers) following our initial public offering except for our Chief Executive Officer.

***Elements of Compensation***

In accordance with our overall compensation philosophy and program, executives are provided with a mix of base salary, short-term incentives, long-term incentives, employee retirement and welfare benefits. Our compensation philosophy places a greater portion of the potential compensation for each named executive officer "at risk" such that compensation will vary based on performance. The following table describes key elements of compensation and the philosophy behind providing for each such element:

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Compensation Element	Description	Philosophy Behind Providing Compensation Element
<b>Annual Compensation:</b>		
<b>Annual Base Salary</b>	Fixed component of annual cash compensation that reflects expertise and scope of responsibilities	<p>Attract and retain key talent</p> <p>Provide financial certainty and stability</p> <p>Recognition of individual performance</p>
<b>Performance-Based Annual Incentive</b>	Bonus plan based on performance on Company and individual objectives, with 75% paid in cash and 25% deferred into restricted common shares (subject to vesting over three years)	<p>Incentivize and motivate our named executive officers to meet or exceed our pre-established annual performance goals</p> <p>Attract and retain key talent</p> <p>Reward team success</p> <p>Align named executive officers' and shareholders' interests</p> <p>Discourages excessive risk taking</p>
<b>Long-Term Compensation:</b>		
<b>Long-Term Incentive Program</b>	A long-term incentive program using time-vested and performance-based restricted common share awards, with performance-vested awards subject to a multi-year performance period	Foster a focus on long-term Company performance and long-term success

Attract and retain key talent

Align named executive officers' and shareholders' interests

Discourages excessive risk taking

**Other Executive Benefits:**

**Retirement Programs**

Participation in a 401(k) defined contribution plan, including a matching contribution of 50% of a participant's contribution up to 4% of the participant's compensation

Attract and retain key talent

Provide income security for retirement

**Perquisites**

Financial planning services

Assist with financial planning needs so executive can better focus on key responsibilities

**Other Benefits**

Medical, dental, vision, life insurance, short and long-term disability, and other benefits

Attract and retain key talent

Provide for safety and wellness of executives

Provide competitive benefits to employees

The compensation committee reviews all elements that collectively contribute to total compensation rather than any specific formula to determine the allocation between performance-based and fixed compensation in making its decisions in 2014. This process ensures that judgments made in respect of any individual element of compensation are taken in the context of the total compensation that an individual receives, particularly the balance between base salary, annual incentives and long-term incentives.

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Base salaries are an important element of compensation and provide our executive officers with a fixed rate of cash compensation that is "non-variable" during the relevant period. In determining base pay, our compensation committee considers the executive's responsibilities, growth potential, individual performance against predetermined objectives, base salary competitiveness as compared to the external market, and our operating performance.

While the compensation committee currently targets base salary at the 25<sup>th</sup> percentile of our peer group (see " Peer Group Composition" above), actual base salary may be above or below that percentile based on the committee's review of the underlying scope of a named executive officer's responsibilities, individual performance and experience, internal pay equity, and retention concerns. The compensation committee strives to maintain base salaries at levels that will attract top talent, while linking a significant portion of an executive's total compensation opportunity to our success. The salary increases reflected in the table below (implemented as of our initial public offering in November 2013) were generally made to bring the base salary levels of our named executive officers into closer alignment with the targeted peer group pay percentile.

The 2014 annual base salaries for our named executive officers (as compared to their base salaries in 2013) were:

<b>Name</b>	<b>2014 Base Salary</b>	<b>2013 Base Salary</b>
Mark A. Casale	\$ 700,000	\$ 500,769
Lawrence E. McAlee	\$ 350,000	\$ 283,621
Adolfo F. Marzol	\$ 425,000	\$ 402,180
Vijay Bhasin	\$ 350,000	\$ 348,958
Mary Lourdes Gibbons	\$ 350,000	\$ 283,205

Annual Incentive Compensation

In connection with our initial public offering in November 2013, our board of directors approved, and our shareholders adopted, the Essent Group Ltd. Annual Incentive Plan, which we refer to as the "Annual Plan." In 2014, incentive awards were made under our annual leadership bonus program pursuant to the Annual Plan. The Annual Plan is intended to advance the interests of the Company and its shareholders by:

providing those employees designated by the compensation committee, which may include our named executive officers, senior vice presidents, other senior executives, and other employees, incentive compensation tied to pre-established performance goals;

identifying and rewarding superior performance;

providing competitive compensation to attract, motivate, and retain outstanding employees who achieve superior performance for us; and

fostering accountability and teamwork throughout the Company.

In accordance with the terms of the Annual Plan, the compensation committee established our fiscal year (which coincides with the calendar year) as the performance period, designated those executives eligible to participate, set the level of potential awards and determined the financial targets or other performance measures which, if attained, result in payment of awards under our annual leadership bonus program for 2014 (the "performance goals").



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The table below sets forth each named executive officer's 2014 threshold, target and maximum annual incentive opportunities under our annual leadership bonus program, expressed as a percentage of base salary.

**2014 Annual Incentive Opportunity  
Expressed as a Percentage of Base Salary in 2014**

<b>Name</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>
Mark A. Casale	93.75%	125%	156.25%
Lawrence E. McAlee	75%	100%	125%
Adolfo F. Marzol	75%	100%	125%
Vijay Bhasin	75%	100%	125%
Mary Lourdes Gibbons	75%	100%	125%

The weighting of corporate and individual performance goals for annual incentive compensation opportunities varies among our named executive officers. Mr. Casale's annual award is based entirely on the achievement of corporate goals, Mr. Marzol's annual award is based 75% on achievement of corporate goals and 25% on achievement of individual goals, and the annual awards of our other named executive officers are based 50% on achievement of each of corporate and individual goals. We believe that these goals in concert help ensure that executives are focused on creating long-term value for our shareholders by effectively growing in a profitable manner with an emphasis on the long-term prospects of the Company.

With respect to corporate goals, the annual incentive opportunity for 2014 was designed to focus our executives on the same performance measures as in 2013: new insurance written (34% weighting); "active" clients (33% weighting); and net income (33% weighting). The following table summarizes the corporate performance goals for 2014 applicable to our named executive officers.

**2014 Annual Incentive Plan Performance Goals**

<b>Goal</b>	<b>Threshold</b>	<b>Target</b>	<b>Maximum</b>	<b>Actual</b>
New insurance written	\$ 15.0 billion	\$ 18.0 billion	\$ 21.0 billion	\$ 24.3 billion
Active clients	900	1,000	1,100	1,030
Net income	\$ 65.0 million	\$ 70.0 million	\$ 75.0 million	\$ 89.3 million

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In determining the annual incentive award for each of our named executive officers (other than Mr. Casale), the compensation committee considered the achievement of the following individual performance goals:

<b>Name</b>	<b>Individual Performance Goals</b>
Lawrence E. McAlee	<p>collaborating with our business in the management of expenses</p> <p>collaborating with businesses to execute a capital plan that supports strategic financial flexibility</p> <p>providing oversight of our investment strategies and portfolio</p>
Adolfo F. Marzol	<p>supporting investor strategies and communication</p> <p>supporting our relationships with various constituents, including state and federal government agencies, GSEs and rating agencies</p> <p>providing leadership in the development of our industry's trade association, USMI</p> <p>collaborating with businesses to execute a capital plan that supports strategic financial flexibility</p>
Vijay Bhasin	<p>supporting investor strategies and communication</p> <p>implementing enhanced risk management and quality assurance strategies and monitoring processes</p> <p>providing active leadership with our relationships with various constituents including GSEs and rating agencies</p>
Mary Lourdes Gibbons	<p>collaborating with our business units to develop and execute our US capital plan</p> <p>maintaining strong compliance disciplines across the Company</p> <p>demonstrating leadership in managing our board of directors and corporate governance responsibilities, including supporting the boards of our international subsidiaries</p> <p>proving active leadership with our relationships with various constituencies including state regulators</p> <p>collaborating with businesses to execute key elements of our strategy to grow the portfolio</p>

Based on the achievement corporate and, as applicable, individual performance goals the compensation committee approved annual incentive awards in the following amounts for each of our named executive officers:

<b>Name</b>	<b>% of Target</b>
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**Annual  
Incentive Bonus  
Award**

Mark A. Casale	\$	1,093,750	125%
Lawrence E. McAlee	\$	437,500	125%
Adolfo F. Marzol	\$	531,250	125%
Vijay Bhasin	\$	437,500	125%
Mary Lourdes Gibbons	\$	437,500	125%

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As discussed above, 75% of the bonus earned by each of our named executive officers is paid in cash and 25% is paid in the form of restricted common shares. The restricted common shares issued to our named executive officers in respect of 2014 performance vest in three equal annual installments, subject to the executive's continuous employment through each such vesting date. The table below sets forth the amount that each named executive officer earned under our annual leadership bonus program for 2014 pursuant to the Annual Plan, expressed in cash payouts and restricted common shares.

**2014 Annual Incentive Earned Amounts**

<b>Name</b>	<b>Cash</b>	<b>Restricted Common Shares(1)</b>
Mark A. Casale	\$ 820,313	11,179
Lawrence E. McAlee	\$ 328,125	4,472
Adolfo F. Marzol	\$ 398,438	5,430
Vijay Bhasin	\$ 328,125	4,472
Mary Lourdes Gibbons	\$ 328,125	4,472

- (1) Determined based on a closing price of our common shares of \$24.46 on February 10, 2015.

*Special Discretionary Bonus Award*

In February 2015, the compensation committee approved a special discretionary bonus award each of Messrs. Casale, McAlee and Bhasin and Ms. Gibbons, in excess of their respective pre-established maximum annual incentive opportunity potentially payable pursuant to our Annual Plan. These discretionary bonuses were awarded in recognition of contributions to the Company's strong financial and operating performance and the achievement of significant strategic objectives during 2014, as outlined in more detail above. In determining the amount of these discretionary bonus awards, the compensation committee believed it was appropriate to pay Mr. Casale an additional amount equal to 35% of his target annual incentive pursuant to the Annual Plan, and to pay each of Messrs. McAlee and Bhasin and Ms. Gibbons an additional amount equal to 25% of his or her respective target annual incentive pursuant to the Annual Plan. These additional amounts, when added to the amount payable pursuant to our Annual Plan, result in payouts that are comparable to the annual incentive compensation, as a percentage of target annual incentive compensation, historically paid to our named executive officers. Consistent with its ongoing review of our compensation programs, the compensation committee will continue to review the threshold, target and maximum levels of our Annual Plan and may adjust such levels to eliminate the need to pay special discretionary bonuses in the future if performance justifies such payments. Consistent with the payout of our annual incentive awards, 75% of the special discretionary bonus award was paid in cash and 25% was paid in the form of restricted common shares which vest in three equal annual installments subject to the executive's continuous

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employment through each such vesting date. The amount of the special discretionary bonus award paid to each of Messrs. Casale, McAlee and Bhasin and Ms. Gibbons is set forth in the table below.

**Special Discretionary Bonus Award**

<b>Name</b>	<b>Cash</b>	<b>Restricted Common Shares(1)</b>
Mark A. Casale	\$ 229,687	3,131
Lawrence E. McAlee	\$ 65,625	894
Vijay Bhasin	\$ 65,625	894
Mary Lourdes Gibbons	\$ 65,625	894

(1)

Determined based on a closing price of our common shares of \$24.46 on February 10, 2015.

*Long-Term Equity Incentive Compensation*

Through our long-term equity incentive program, we provide our senior executives, including our named executive officers, the opportunity to earn equity awards which are in part contingent on the attainment of multi-year performance goals. Acting in concert, our annual leadership bonus program pursuant to the Annual Plan and the long-term equity incentive awards provide balanced equity incentives that reward executive focus on delivering both financial results and long-term growth. Equity-based compensation is used in order to facilitate retention, provide long-term motivation and focus our executives on increasing shareholder value. In addition, we believe that our long-term equity incentive compensation program balances the risks associated with short-term incentive compensation that may reward behavior with short-term benefits that may be less beneficial over the long-term. The target long-term equity incentive awards are designed to achieve, when combined with the executive's base salary, target annual incentive compensation opportunity, and the equity awards previously granted in connection with our 2013 initial public offering, total compensation at approximately the 50<sup>th</sup> percentile of comparable positions at peer group companies (see " Peer Group Composition" above).

Taking into consideration the retention awards that were made to our named executive officers in connection with our initial public offering in 2013, the compensation committee approved in 2014 long-term equity incentive awards to each of our named executive officers, other than Mr. Casale, equal to approximately 50% of their respective annual base salary in the form of time-vested and time- and performance-vested restricted common shares:

**2014 Long Term Incentive Awards**

<b>Name</b>	<b>Restricted Shares Subject to Time-Based Vesting</b>	<b>Restricted Shares Subject to Time- and Performance- Based Vesting</b>	<b>Total Restricted Shares Granted</b>
Lawrence E. McAlee	3,578	3,577	7,155
Adolfo F. Marzol	4,344	4,344	8,688
Vijay Bhasin	3,578	3,577	7,155
Mary Lourdes Gibbons	3,578	3,577	7,155

The time-vested restricted common shares vest in equal annual installments during the three-year period commencing March 1, 2014, subject to the executive's continuous employment through each such vesting date. The performance-vested shares become earned upon the Company's achievement of

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the compounded annual book value per growth percentage set out in the following table (with straight line interpolation between the respective levels) during the three-year performance period commencing on January 1, 2014, and any earned shares will vest on March 1, 2017, subject to the executive's continuous employment through such date:

<b>Performance Level</b>	<b>Compounded Annual Book Value Per Share Growth</b>	<b>Restricted Common Shares Earned(*)</b>
Threshold	<11%	0%
	11%	10%
	12%	36%
	13%	61%
	14%	87%
Maximum	15%	100%

(\*)

In the event that the compounded annual book value per share growth falls between the performance levels shown above, the restricted common shares earned will be determined on a straight line basis between the respective levels.

Other Elements of Compensation

As described below, we also provide certain retirement benefits and welfare benefits to our named executive officers.

*Retirement Benefits*

*401(k) Plan:* Our eligible employees, including each of our named executive officers, are eligible to participate in a tax-qualified 401(k) retirement plan. In addition to being able to make contributions (up to tax law limits), participants are eligible for a Company matching contribution of 50% on their contributions up to 4% of their eligible compensation. The Company matching contribution is provided on the same basis to our named executive officers as all other employees who participate in the plan. The amounts contributed to the 401(k) Plan on behalf of each of the named executive officers are listed in the Summary Compensation Table elsewhere in this proxy statement.

*Perquisites*

We do not have a formal perquisite policy and do not emphasize special perquisites for our executive officers, although the compensation committee periodically reviews perquisites for our named executive officers. Rather, there are certain specific perquisites we have agreed to compensate particular executives based on their specific situations. In particular, each of our named executive officers is entitled to participate in the Company's financial counseling program as in effect from time to time and Mr. Bhasin is entitled to reimbursement of certain travel and housing expenses.

*Medical and Other Welfare Benefits*

Our named executive officers, along with all of our other employees, are eligible to participate in medical, dental, life, accidental death and disability, long-term disability, short-term disability, and other employee benefits. The purpose of these plans is to provide competitive benefits to our employees and to help to attract and retain employees by offering a comprehensive package of benefits.

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***Termination, Severance and Change in Control Benefits***

As of December 31, 2014, the employment agreements with each of our named executive officers provide severance payments and benefits upon certain qualifying terminations of employment. In addition, upon certain qualifying terminations following, or in some circumstances upon the occurrence of, a change in control, our named executive officers may be entitled to receive certain vesting of their outstanding restricted common share awards pursuant to the terms of their respective employment agreement or the terms of our equity incentive plans.

Based on the input of its independent compensation consultant, the compensation committee determined that these arrangements are appropriate and that the payments and benefits provided for under these arrangements upon certain qualifying terminations of employment or in connection with a change in control are consistent with market practice and essential in attracting and retaining key talent. In addition, the change in control provisions are significant to ensure that we have the continued attention and dedication of our executives during circumstances that could result in a change in control. These provisions are further described beginning on page 42 (" Potential Payments and Benefits upon Termination or Change in Control").

***Impact of FASB ASC Topic 718***

The accounting standards applicable to the various forms of long-term incentive plans under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 718 (formerly FASB Statement 123R) is one factor that the compensation committee and the Company consider in the design of long-term equity incentive programs. Other factors include the link to the performance that each vehicle provides, the degree of upside leverage and downside risk inherent in each vehicle, the impact on dilution and overhang that the vehicles have, and the role that each vehicle has in the attraction, retention, and motivation of our executive and key employee talent. The Company and its external financial advisors consider FASB ASC Topic 718 expense to ensure that it is reasonable, but expense will not be the most important factor in making decisions about awards under long-term incentive plans.

***Tax Considerations and Deductibility of Compensation***

Section 162(m) of the Internal Revenue Code generally disallows public companies a tax deduction for compensation in excess of \$1 million paid to their chief executive officers and the three other most highly compensated executive officers (other than the chief financial officer) unless certain performance and other requirements are met. Our intent generally is to design and administer executive compensation programs in a manner that will preserve the deductibility of compensation paid to our executive officers, and we believe that a substantial portion of our current executive compensation program satisfies the requirements for exemption from the \$1 million deduction limitation. We also intend to comply with applicable laws in order to rely on transition rules under Section 162(m) for newly public companies; to the extent such transition rules apply to us, the \$1 million deduction limitation would not be applicable. In any event, the compensation committee reserves the flexibility to structure compensation programs as it determines, in its business judgment, to be appropriate for us, regardless of whether any of such compensation ultimately may be deductible.

***Share Ownership Guidelines***

Both our non-executive directors as well as our senior executives (which we define as our chief executive officer and each of his direct reports and includes all of our named executive officers) are required to maintain certain ownership levels of common shares during their service.

As of the later of (i) November 2019, which is five years after the adoption of our director and senior executive share ownership guidelines, and (ii) five years after the date on which a director is

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appointed to our board or a senior executive is appointed to a position subject to the ownership guidelines, each director and senior executive is required to own a minimum number of our common shares with an aggregate value equal to the following (or such lesser amount as the director or senior executive may have been granted to date):

Position	Minimum Value of Common Shares Held
Director	Five times annual cash compensation
Chief Executive Officer	Six times annual base salary
Executive Vice President	Three times annual base salary
Other Senior Executives	Two times annual base salary

Furthermore, each director and senior executive must hold at least 50% of the common shares that we issue to that individual until he or she satisfies the applicable share ownership threshold, less any shares used to satisfy tax obligations arising from receiving common shares from us.

For the purposes of our share ownership guidelines, restricted common shares and restricted common share units subject to time-based vesting are treated as shares held by a director or senior executive. However, unvested performance-based restricted common shares and restricted common shares units are not treated as being owned until they are earned and vested.

Our non-employee directors and executive officers are also subject to our insider trading policy, which prohibits transactions in our securities outside of "window" periods (except pursuant to previously adopted, approved Rule 10b5-1 plans), including short sales on our shares, or the purchase or sale of options, puts, calls, straddles, equity swaps, or other derivative securities that are directly linked to our equity.

Our compensation committee retains discretion to waive non-compliance with our share ownership guidelines in light of an individual director's particular facts and circumstances from time to time.

As of December 31, 2014, our chief executive officer, our executive vice president and each of our senior executives have met the applicable share ownership guidelines. Our board members are expected to satisfy their share ownership guidelines through their annual equity compensation grants in respect of their board service.

**No Hedging Policy**

Members of our board of directors and our executives are prohibited from hedging their ownership or offsetting any decline in the market value of our common shares, including by trading in publicly-traded options, puts, calls or other derivative instruments related to our common shares.

**Compensation Committee Report**

We have reviewed and discussed the Compensation Discussion and Analysis with management. Based on our review and discussion with management, the compensation committee recommended to our board of directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

Compensation Committee of the Board of Directors

Roy J. Kasmar, Chairman  
 Allan Levine  
 William Spiegel

*The foregoing report of the compensation committee does not constitute soliciting material and shall not be deemed filed, incorporated by reference into or a part of any other filing by the Company (including any future filings) under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates such report by reference therein.*



Table of Contents**Summary Compensation Table**

The following table sets forth information regarding the compensation awarded to, earned by, or paid to our named executive officers.

Name and Principal Position	Year	Salary (\$)	Bonus <sup>(1)</sup> (\$)	Stock Awards <sup>(2)</sup> (\$)	Option Awards <sup>(3)</sup> (\$)	Non-Equity Nonqualified Incentive Compensation		All Other Compensation <sup>(4)</sup> (\$)	Total (\$)
						Plan Compensation <sup>(3)</sup> (\$)	Earning <sup>(3)</sup> (\$)		
<b>Mark A. Casale</b> <i>Chairman of the Board of Directors, Chief Executive Officer and President</i>	2014	700,000	229,687	279,264		820,313		32,420	2,061,684
	2013	500,769		18,534,500		837,750		5,100	19,878,119
	2012	400,000		290,663		375,000			1,065,663
<b>Lawrence E. McAlee</b> <sup>(5)</sup> <i>Senior Vice President and Chief Financial Officer</i>	2014	350,000	65,625	293,777		328,125		9,204	1,046,731
<b>Adolfo F. Marzol</b> <sup>(6)</sup> <i>Executive Vice President</i>	2014	425,000		349,640		398,438		5,200	1,178,278
	2013	402,180		1,292,250		411,329		10,002	2,115,761
	2012	375,000		189,563		187,500		24,378	776,441
<b>Vijay Bhasin</b> <i>Senior Vice President and Chief Risk Officer</i>	2014	350,000	65,625	293,777		328,125		34,463	1,071,990
	2013	348,958		1,300,440		356,250		33,711	2,039,359
	2012	325,000		164,288		195,000		33,263	717,551
<b>Mary Lourdes Gibbons</b> <sup>(5)</sup> <i>Senior Vice President, Chief Legal Officer and Assistant Secretary</i>	2014	350,000	65,625	293,777		328,125		5,200	1,042,727

- (1) The amounts reported in this column represent the cash portion of the special discretionary bonuses awarded for 2014 (see " Compensation Discussion and Analysis Special Discretionary Bonus" above) that is in excess of the pre-established maximum annual incentive opportunity potentially payable pursuant to our Annual Plan reported in the Non-Equity Incentive Plan Compensation column. Restricted common shares granted in February 2015 as a part of these special discretionary bonuses are reportable in next year's Summary Compensation Table in accordance with SEC rules to the extent the applicable executive is a named executive officer for 2015.
- (2) The amounts reported in this column represents the aggregate grant date fair value of the share awards computed in accordance with ASC Topic 718, disregarding for this purpose the estimate of forfeitures related to service-based vesting conditions. For 2014, these grants include restricted common shares granted to all of our named executive officers in February 2014 for performance under our annual leadership bonus program pursuant to our Annual Plan in 2013 (other than for Messrs. Casale and Marzol, each of whom received fully vested common shares) and long-term equity incentive grants for our named executive officers (other than Mr. Casale). Restricted common shares granted in February 2015 for performance under our annual leadership bonus program in 2014 pursuant to our Annual Plan are reportable in next year's Summary Compensation Table in accordance with SEC rules to the extent the executive is a named executive officer for 2015. The value of restricted common shares that are subject to both time- and performance-based vesting conditions has been computed assuming the probable outcome of the performance conditions on the date of grant. For additional information, including a discussion of the assumptions used to calculate these values, see " Outstanding Equity Awards at Fiscal Year-End" below and note 10 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2014.
- (3) The amounts reported in this column represent the cash portion of the annual bonuses earned by our named executive officers pursuant to our annual leadership bonus program for 2014 pursuant to our Annual Plan. For additional information regarding our annual leadership bonus program and Annual Plan, see " Narrative to Summary Compensation Table Annual Bonus Plan."
- (4) The amounts reported as "All Other Compensation" for 2014 reflect: (a) financial planning services fees of \$27,220 and \$4,004 paid on behalf of Messrs. Casale and McAlee; (b) matching 401(k) contributions of \$5,200 to each of Messrs. Casale, McAlee, Marzol, Bhasin and Ms. Gibbons; and (c) reimbursement of \$29,263 in travel and housing expenses incurred by Mr. Bhasin.
- (5)

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Mr. McAlee and Ms. Gibbons were not named executive officers prior to 2014. In accordance with SEC regulations, only compensation information for the fiscal year in which Mr. McAlee and Ms. Gibbons became a named executive officer is reported in the Summary Compensation Table.

(6)

Mr. Marzol retired effective March 31, 2015.

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**Grants of Plan Based Awards Table**

The following table sets forth information regarding grants of plan based awards to our named executive officers for the year ended December 31, 2014.

	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)			Estimated Future Payouts Under Equity Incentive Plan Awards(2)		All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock and Option Awards (\$)(3)
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Maximum (#)		
<b>Mark A. Casale</b>	2/14/14	656,250	875,000	1,093,750			11,238(4)	