

HEALTHSTAR RISK RETENTION GROUP, LLC
Audit Committee Charter

The Audit Committee (“the Committee”) of the Board of Managers (“the Board”) of HealthStar Risk Retention Group, LLC (“the Company”), or the Board of the Company, if it elects and is permitted by the applicable laws or regulations of the State of Alabama or by permission granted by the State of Alabama Commissioner of Insurance, to serve as the Committee, will have the authority, specific duties and responsibilities as specified below.

I. Composition

If a separate Committee shall be designated by the Board, the number of individuals that shall constitute the Committee shall be at least three (3) and not more than nine (9) as shall be determined by the Board of Managers; provided that the Committee shall be composed of at least three (3) independent board members as defined in Section 27-31A-3.1 of the Alabama Risk Retention Act. A non-independent Board member may participate in the activities of the Committee, if invited by the members, but may not be a member of such Committee.

II. Purpose

The Committee’s purpose shall, at a minimum, be to:

1. Assist the Board of Managers of the Company in oversight of:
 - (a) the integrity of the financial statements of the Company;
 - (b) the compliance with legal and regulatory requirements; and,
 - (c) the qualifications, independence and performance of the Company’s auditor and actuary.

III. Authority and Responsibilities

- A. Except as provided herein and subject to any applicable provisions of the Operating Agreement of the Company or as may be imposed by law or regulation, the Committee shall be directed and authorized to:
 1. discuss the annual audited financial statements and quarterly financial statements with management;
 2. discuss the annual audited financial statements with the Company’s independent auditor and, if advisable, the quarterly financial statements with the Company’s independent auditor;

3. discuss policies with respect to risk assessment and risk management;
4. meet separately and periodically, either directly or through a designated representative of the Committee, with management and independent auditors;
5. review with the independent auditor any audit problems or difficulties and management's response;
6. set clear hiring policies of the Company, if applicable, as to the hiring of employees or former employees of the independent auditor;
7. unless the Company is otherwise exempted under the applicable laws or regulations of the State of Alabama or exception granted by the State of Alabama Commissioner of Insurance, require the external auditor to rotate the lead or coordinating audit partner having primary responsibility for the Company's audit as well as the audit partner responsible for reviewing the audit so that neither individual performs audit services for more than five (5) consecutive fiscal years;
8. investigate any matter or activity involving financial accounting and financial reporting of the Company, as well as internal controls; and,
9. recommend to the Board the selection, retention or termination of the Company's independent auditor.

B. In carrying out its purpose and responsibilities as set forth herein, the Committee shall:

1. follow the same procedures with respect to notice, quorum, voting, action without meeting, written records of Committee proceedings and other such matters as are specified in the Operating Agreement of the Company for meetings of Managers of the Company; and,
2. report regularly to the Board.

Adopted by the Board of Managers of HealthStar Risk Retention Group, LLC on March 10, 2025.