ANTI – FRAUD POLICY
ACKO GENERAL INSURANCE LIMITED

Version - Ver.3.0/Acko/17022020
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<tr>
<td>Name: Mr. Ritesh Dabriwala</td>
<td>Name: Mr. Biresh Giri</td>
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<td>Signature:</td>
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1 Purpose & Objective of the policy:
The Insurance Development and Regulatory Authority of India (IRDAI), vide its circular IRDA/SDD/MISC/CIR/009/01/2013 dated 21st January 2013, called upon all insurers in India to recognize and assess the implication of fraud as a risk management measure and to put in place an effective and comprehensive policy to deal with fraud. All insurers are required to ensure that the risk management function is organized in such a way that the insurer is able to monitor the fraud risks across the company on a continuing basis and to initiate measures to address them suitably.

This document outlines Acko General Insurance Ltd ("Acko", “the company”)’s policy concerning fraud management and provides guidelines for the implementation and enforcement of Fraud Control Policy referred to hereafter as the ‘Anti-Fraud Policy’.

This policy provides the guidelines to establish a Fraud Risk Management framework across the company, in line with IRDA guidelines to implement adequate and effective mechanisms to identify, measure, control and monitor the fraud risks in a holistic way across the company on an ongoing basis.

2 Scope:
This policy covers the overarching principles for managing risks related to fraud to enable the company to protect itself from the financial and reputational risk posed by frauds. The Policy has been established to outline the requirements for the development of controls that will assist in the detection, prevention and response to Fraud.

This Policy shall be applied to any Fraud, or suspected Fraud, involving any member of the Boards of Directors, the Chief Executive Officers, the Management teams or staff of Acko, as well as minority shareholders and those who conduct business with Acko, such as third-party agents and representatives, including surveyors, vendors, subcontractors and agents.

The policy governs the framework to be put in place for managing the following risks:

1. **Policyholder Fraud and / or claims fraud** – Fraud against the insurer in the purchase and / or execution of an insurance product, including fraud at the time of making a claim.

2. **Intermediary fraud** – Fraud perpetrated by an Insurance agent / Corporate Agent / Intermediary / Surveyors / Call centers against the insurer and / or policyholders.

3. **Internal Fraud** – Fraud / mis-appropriation against the insurer by its Director, Manager and / or any other or staff member (by whatever name called).

4. **Third Party Fraud**: Frauds committed by Third Parties (Vendors, Advisors and/or their individual employees/representatives) against the Corporation.

This Policy must be read together with all other applicable policies covered by Acko. Non-compliance with the policy will result in disciplinary action. Fraudulent activity will be taken as a serious offense by Acko.

3 Definition of Fraud:
IRDA defines Fraud as a dishonest, unethical, irregular or illegal act or practice, characterized by deliberate intent at concealment of a matter of fact - whether by words or conduct - or false representation, which may result in a financial or nonfinancial loss.

For the purpose of this Policy, fraud, corruption and misconduct will be encompassed into the word ‘Fraud’ (hereafter referred to as “Fraud”) and shall be used to refer to all dishonest, irregular or illegal acts of: fraud; breach of trust; misappropriation; wasting; embezzlement; or bribery, which is characterized by a deliberate intent at concealment or false representation and causing or which might cause harm or affect the financial interest of the company.
4 Fraud control framework:

4.1 Fraud Control Management Committee (FCMC):

The following shall comprise of:

- Chief Risk Officer (CRO & Head Fraud Control Unit)
- Chief Information Security Officer (CISO)
- Chief Compliance Officer
- Head – Claims
- Financial Controller
- Head – HR
- Head – Operations / Underwriting / Issuance
- Head – Analytics

4.2 Roles and Responsibilities of FCMC

The responsibilities of the FCMC shall include:

- Identify potential areas of fraud which may take place in any of the functions of the company and assign the responsibility to deal with such frauds to the function
- Review fraud management procedures laid down by the functions. The procedures shall include identify, detect, investigate, mitigate and report frauds.
- In absence of such procedures, recommend such fraud management procedures for the functions
- Ensure that fraud awareness trainings on Acko’s Anti-Fraud Policy for employees and contractors are taking place
- Ensure that a framework is in place to prepare fraud management reports for regulatory compliance or internal purposes as required
- Ensure that a framework for adhering to the regulatory compliance related to fraud management is in place
- Put in place a procedure for investigation of all kinds of frauds
- Put in place a procedure for dealing with law enforcement agencies in cases where it is required

4.3 The risk management function of the company will also work as the fraud management function (FMF) which will ensure effective implementation of the anti-fraud policy.

4.4 Acko shall inform both potential clients and existing clients about the anti-fraud policy and take steps to appropriately include necessary caution in the insurance contracts / relevant documents, duly highlighting the consequences of submitting a false statement and / or incomplete statement, for the benefit of the policyholders, claimants and the beneficiaries.

4.5 As part of their standard operating procedure, all function heads shall be required to include measures to manage fraud related to their respective departments. Such measures shall be reviewed by the FCMC on regular basis.

4.6 Acko shall treat all information received during fraud investigation as confidential. The detailed investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

4.7 Acko shall put in place procedures to exchange data with the regulator or industry body related to fraud management as per the applicable rules or agreements.

4.8 Acko shall put in place a procedure to maintain the information related to fraud investigations in safe custody for future reference or for audit trails.

4.9 All fraud management related details and reports will be reported to the Risk Management Committee through the FCMC and then to the Audit Committee of the Board of Directors.
5 **Amendments:**
This Policy shall be reviewed by the FCMC and revisions will be proposed for approval by the Board on a yearly basis. Any amendments to this Policy may be made by the Board at any time as it may deem fit. In case of any conflict between this Policy and the provisions of applicable law, the provisions of law shall prevail and shall be binding on the Company.

6 **Policy ownership:**
This Policy is owned by the FCMC. The Risk Management Committee has the responsibility to implement and ensure compliance to this Policy. Any deviation to this Policy is to be reported to the Board via Risk Management Committee of the Company.

7 **Consequence management:**
Any person acting in violation of this Policy may expose the Company to regulatory risks. Appropriate actions will be taken against such persons in accordance with the employee disciplinary action process or any other action that the Company may deem fit.