



Bharti AXA Life Insurance

Synopsis of Fraud Control Policy



A. Policy Statement

Bharti AXA Life Insurance is committed to fraud control with an emphasis on proactive prevention and detection measures in an effort to reduce opportunities which could lead to loss. The Company's approach to fraud control centers on maintaining a legal, regulatory and ethical climate which encourages all stakeholders to protect the Company's assets and escalate any suspicion of fraud.

Bharti AXA Life has a zero tolerance policy to fraud.

B. Objectives and Scope

1. Objectives - This Policy outlines an organisational approach to managing fraud. It:

- Defines what fraud means for Bharti AXA Life
- Fraud Detection & Mitigation measures
- Sets out the elements of the Fraud Control Framework
 - Roles and responsibilities of management and staff in proactively reducing fraud, through prevention and detection controls
 - Required elements of an investigation response function

2. Scope

This policy applies to all types of fraud that may be experienced by Bharti AXA Life, regardless of the origin of that risk.

The policy applies to all staff, be they employed on a permanent or temporary basis, regardless of seniority and position in the organisation.

C. Definitions

Bharti AXA defines fraud as a deliberate action or omission carried out by an individual or organisation which intends to create a loss to Bharti AXA or its business partners, or a gain to the perpetrator.

Fraud is a conduct issue, having at least one of the following features:

- False representation or misstatement – a representation is false if it is untrue or misleading and if the person making it knows that it is or might be untrue or misleading.
- Failure to disclose information – a person becomes a fraudster if he dishonestly fails to disclose to another person, information which he has duty to disclose and intends by doing so to make a gain for himself or another, or to cause loss to another, or to expose another to a risk of loss.
- Abuse of position – a person becomes a fraudster if they dishonestly fail to safeguard the financial interests of another person, in a way that exposes that person to the risk of or actual financial loss. A genuine error becomes a fraud if the responsible person fails to disclose it to management and Bharti AXA and AXA suffers a loss.



D. Roles and responsibilities

The management of the Fraud Control Framework is outlined below in the “three lines of defence” model.

1st line - Bharti AXA Boards, Management and staff are responsible for implementing and operating the necessary controls to mitigate fraud risks. Fraud prevention and detection is primary responsibility of management

2nd line – Fraud Control function; responsible for facilitating the implementation of the fraud control framework and monitoring its effectiveness. Fraud investigation should be handled by specialist staff.

3rd line - Internal Audit provides independent assurance on the effectiveness of the Fraud Control Framework.

The preferred organisational structure of the Fraud Control Framework locates anti-fraud functions in the 2nd line of defence either as a distinct team or integrated in larger teams. This Fraud Team must report to a sufficiently senior level in the organisation and have unrestricted access to the Audit Committee to safeguard independence and objectivity.

E. Fraud Control Officer

The Fraud Control Officer is formally appointed by Senior Management,

Fraud Control Officer has direct access to the CEO of their company and to the Chair of the Audit Committee to escalate concerns. Fraud Control Officers must maintain oversight of all fraud investigations carried-out; will be authorised to access any data and personnel in the context of fraud investigations.

E. Fraud Detection & Mitigation

1. Investigation Standard

Company maintains escalation criteria, response procedures and protocols which describe how they will manage identified fraud events, which specifically describe the resources which will be made available to undertake investigations in compliance with local laws and regulations.

2. Investigation Objectives

Key elements which must be taken into account in undertaking an investigation include:

- Confidentiality
- Maintaining the integrity of the investigator, ensuring no possible conflict of interest with the area being investigated
- Evidence collection, preservation and presentation standards
- Documentation of the investigation steps and decisions taken



3. Response to Investigation Findings

Where suspicions are confirmed by the facts, Bharti AXA Life will take such actions as it deems appropriate:

- Disciplinary action if the matter involves employees, salaried or non-salaried agents, in compliance with relevant Human Resources policies and regulatory requirements.
- Civil action to recover funds from the alleged perpetrator(s), wherever required – business case.
- In case of confirmed fraud Bharti AXA Fraud Control Team along with Legal to consider reporting the matter to the local Police or other regulatory authorities or any other law enforcement team.
- Internal control breakdowns will be reported to Internal Audit as part of the continuous improvement of the control framework.

G. Preventive Mechanism:

Bharti Axa Life shall inform both potential clients and existing clients about their anti-fraud policy. Necessary caution statements to be included in the relevant service documents.

NOTE:

Fraud Control Officer - **Prince Sethi**

All fraud related issues can be reported at: complaints.unit@bharti-axalife.com