ManipalCigna Health Insurance Company Limited

Anti-Fraud Policy

Owner: Chief Risk Officer

Approver: ManipalCigna Board of Directors

Version: 1.12

Effective Date: 02nd Aug 2024

Review History

Date of Review	Changes to Section	Review initiated by	Review signed off by	Review Approved by	Version Number	Effective from
NA	New Policy	Risk Team	Chief Risk Officer	Board	1.0	6th February 2014
30th June 2014	Annual Review	Risk Team	Chief Risk Officer	Board	1.1	5th August 2014
30th June 2015	Annual Review	Risk Team	Chief Risk Officer	Board of Directors	1.2	13th August 2015
30th June 2016	Annual Review	Risk Team	Chief Risk Officer	Board of Directors	1.3	12th August 2016
30th June 2017	Annual Review 1. Addition of e-commerce frauds under Insurance frauds classification	Risk Team	Chief Risk Officer	Board of Directors	1.4	10th August 2017
30th June 2018	Annual Review	Risk Team	Chief Risk Officer	Board of Directors	1.5	10th August 2018

30th June 2019	Annual Review 1. Deletion of External Fraud/ Third party Fraud from 2.1: Classification of Fraud	Risk Team	Chief Risk Officer	Board of Directors	1.6	02nd August 2019
28th July 2020	Annual Review Changes in Objectives (Section 1.2)	Risk Team	Chief Risk Officer	Board of Directors	1.7	05th August 2020
27th July 2021	Change in Version	Risk Team	Chief Risk Officer	Board of Directors	1.8	05th August 2021
31st Oct 2021	Change in 1) Table of Contents, 2) Scope , Objectives , Target Audience 3) Anti-Fraud Framework 4) Appendices	Risk Team	Chief Risk Officer	Board of Directors	1.9	03rd Nov 2021
25th July 2022	Annual Review-Change in Version	Risk Team	Chief Risk Officer	Board of Directors	1.10	04th Aug 2022
14th July 2023	Annual Review-Change in Version	Risk Team	AVP- Risk	Board of Directors	1.11	05th Aug 2023
25th July 2024	Annual Review- 1) Change in Version. 2) Change in Contact person in Annexure 2	Risk Team	Chief Risk Officer	Board of Directors	1.12	2nd August, 2024

Confidentiality Clause:

All information held about the procedure or in connection with the procedure and any of the above is to be regarded as confidential. One will not at any time during tenure of employment or afterwards, disclose to any person any information as to the business, dealings, practice, accounts, finances, trading, software, know-how, affairs of the procedure or otherwise connected with the procedure. Any breach of this clause would constitute very serious disciplinary action.

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1. Introduction

Fraud is an operational risk involving deliberate & intentional concealment of facts. It may involve directors, management, employee or third party in individual capacity or collusion. Fraud may be difficult to detect because most often it involves falsification of documents and collusion among staff or third party, so it becomes imperative to place strong emphasis on Fraud prevention, detection, control, & deterrence

1.1 Scope

ManipalCigna Health Insurance Company Limited (herein after referred to as "The Company") shall place high emphasis on prevention, detection, Control & deterrence through below mentioned elements

- Create an environment & culture of honesty & high ethics via awareness of Fraud risk and control
- Implementation of processes, procedure and controls to identify, assess & mitigate Fraud risk & reduce opportunities of fraud

This Policy shall be applicable to all permanent employees, contractual staff and directors in the employment of the company as well as the agents, intermediary, vendors, contractor, consultants, customer, third party & Third Party Administrators. Further Fraud & control unit will have the sole discretion on deciding the applicability of this policy & initiating the investigation process without regards to the suspected wrongdoer's length of service, position/ designation/ title or contractual relationship with the Company

This policy should be read in conjunction with other related policies of the Company i.e. Code of Conduct, AML policy, Risk management policy, Whistle blower policy, Compliance policy, Fraud Monitoring Policy & Framework and Internal Audit policy.

1.2 Objectives

Implementing effective fraud controls is part of effective corporate governance and management practices. Such controls seek to protect Company assets, interests and reputation. The objectives of Fraud Monitoring Policy are summarized below:

- Establish and maintain an organisational culture that supports ethical conduct, thereby minimising the risk of fraud.
- Providing a mechanism for employees and officers of the company to report any incident of fraud or alleged incident of fraud and protect such employees or officer making the disclosure
- Highlight the roles and responsibilities of the FCU, , business heads/departments and HR/Training Department within the Company
- All regulatory reporting requirements to be complied within the applicable timelines

1.3 Key Terms Used

- IRDAI – Insurance Regulatory & Development Authority of India
- IA – Internal Audit
- TPA – Third Party Administrator
- FCU – Fraud Control Unit
- CRO – Chief Risk Officer

2. Definition of Fraud

IRDAI vide circular no IRDA/SDD/MISC/CIR/009/01/2013 dated 21st January, 2013 defines Fraud as: "An act or omission intended to gain dishonest or unlawful advantage for a party committing the fraud or for other related parties. Examples of such instances may include:

- Misappropriating assets
- Deliberately misrepresenting, concealing, suppressing or not disclosing one or more material fact relevant to the financial decision, transaction or perception of the insurer's status
- Abusing responsibility, a position of trust or a fiduciary relationship."

2.1 Classification of Fraud

Fraud can be broadly categorised into the below mentioned categories

- **Policyholder Fraud and/or Claims Fraud**: Fraud against the Company in the purchase of an insurance product, including fraud at the time of making a claim and in settlement of claims
- **Intermediary Fraud**: Fraud perpetrated by an insurance agent/Corporate Agent/ intermediary/ TPAs/service providers/vendors against the Company and/or policyholder
- **Internal Fraud**: Fraud/ misappropriation against the Company by its Director, Manager and/or any other officer or staff member (by whatever name called)

An illustrative list of frauds is available in IRDAI vide circular no IRDA/SDD/MISC/CIR/009/01/2013 dated 21st January, 2013 annexed herewith (Annexure 1)

2.2 Zero Tolerance Policy

The Company has adopted Zero tolerance policy for fraudulent activities or attempts to commit a fraud and prompt & strict action shall be taken against perpetrators and/or personnel attempting to conceal instances of fraud.

2.3 Fraud Governance - Creating a culture of High integrity & honesty

The Company will set standards for creating an environment of high integrity & honesty by encouraging transparency & openness at all levels of hierarchy to prevent fraud or concealment of fraud practices.

Regular communication for creating awareness amongst employees will be maintained through training programmes, emailers or through any other appropriate forums

3. Anti-Fraud Framework

Anti-Fraud Framework lays down the key activities for identifying, investigating, reporting & monitoring of frauds committed or suspected fraud activities by internal & external stakeholders such as employees, directors network hospitals, third party administrators, external vendors, policyholders etc.

3.1 Fraud or Suspected Fraud Identification

FCU. The primary responsibility of fraud prevention lies with the respective department heads & they being the first line of defence are responsible for implementation of appropriate control measures for prevention of fraudulent or suspected fraudulent activities. Department heads will report immediately on detection of any confirmed, attempted or suspected fraud via the email ID listed in Annexure2. It is also the responsibility of department heads to develop a proper process /communication channel within their scope to comply with reporting requirements. Further employee at every level, in all departments & at all location have a responsibility to communicate, if they are aware/ have knowledge of any fraud or suspected fraud activity, to the concerned personal as per the process in place in that department

FCU will enable coordination with the respective department heads as may be required

3.2 Investigation Process

The following action shall be taken in response to an alleged or suspected incident of fraud reported

- Logging of case: FCU will maintain a repository/ register of the reported cases
- Preliminary assessment: Upon logging of the case, FCU will be carry out preliminary assessment on the following lines.
- Preliminary assessment will include the following
  - Classification of Fraud Category (Intermediary, Internal, Policyholder etc.)
  - Review of available information / documents
  - Calling for additional information / documents
  - Deciding the methodology of assessment / investigation (Internal* / External#)
  - Assessment of findings
  - Concluding the case and recommending action as may be required**^**
  - Initiating action against perpetrator (Case may be referred to Market Conduct Committee / Ethics Committee as specified in Sec.3.3)

^ Incident Matrix to be used for reference for recommending action (Refer Annexure 3)

*****Internal Investigation – This type of investigation refers to the investigation undertaken by the authorized officials of the Company

For the purpose of internal investigation the members of the investigation team will have

a. Free and unrestricted access to all Company records (including emails, folders and files) and premises whether owned or rented.
b. Authority to examine, copy and/or remove all or any portion of the contents of records without prior knowledge or consent of any individual who may use or have custody of any such items.
c. Authority to call / meet on request any party (Internal/External) in connection with fraud or suspected fraud case

#Verification / Investigation by External Agency- Depending on the gravity / nature of the case, FCU may assign the case to an external agency for verification / investigation as per process / necessary approvals. Such an agency will conduct the verification / investigation and submit its report along with the findings and necessary evidences.

3.3 Reporting

Investigation shall be completed within the timeframe as specified from time to time. For large frauds involving a number of people or where the financial impact / complexity of frauds is high the investigation timeline may be extended appropriately. Conclusion of the investigation should be documented.

FCU may refer the Cases to the following committees for information / guidance / decision or any other purpose as may be appropriate:

- Market Conduct Committee - For intermediary related cases
- Ethics Committee – For Employee related / Whistle Blower cases

If the case requires any involvement of law enforcement agency or legal matters then the Legal & compliance team will be involved for necessary action. CRO will present an update on Anti- Fraud Framework to the Audit / Risk Management Committee of the Board on quarterly basis or earlier as deemed necessary.

Fraud Monitoring report is submitted to the regulator in the specified format after the closure of financial year. Format available in Annexure 1

3.4 Monitoring

The Department Heads i.e. the First line of Defence will continue to monitor the activities of the department and exercise necessary controls from a fraud mitigation perspective.FCU team may undertake periodic reviews as a part of monitoring process.

4. Review of the Policy

- To ensure compliance with the regulatory guidelines, the Anti-Fraud Policy shall be reviewed at least once in a year and changes if any submitted to the Board of Directors for approval.
- In view of modifications to regulatory requirements, suitable addendums should be issued within the company to communicate the revised guidelines.

5. Annexures

Annexure 1 - IRDA Circular

Particulars	Attachment
IRDA/SDD/MISC/CIR/009/01/2013 dated 21st January, 2013	Insurance Fraud Monitoring Framew

Annexure 2 - Contact Person

Name	Designation	Email ID
Deepak Yadav	Senior Manager- Fraud Control-Risk	deepak.yadav@manipalcigna.com

Annexure 3 - Incidents Matrix

Particulars	Attachment
Incident Matrix	Incidents Matrix.xlsx