

THE ORIENTAL INSURANCE COMPANY LIMITED
Head Office, A-25/27, Asaf Ali Road New Delhi – 1100 01

Anti Money Laundering Policy

1.0 Short title Applicability and Commencement:

This policy shall be known as Anti Money Laundering Policy of The Oriental Insurance Company Limited. It shall be applicable to transactions relating to all policies at the settlement stage and where claims payout/premium refund crosses a threshold of Rs. 1 lakh per claim/premium refund under policies underwritten by the Company through its Head Office, Regional Offices, Divisional Offices, Branch Offices, Extension Counters and other units through which business is carried out by whatever name called. It shall become effective from the date to be notified by the Board of Directors.

2.0 Definitions:

- 2.1 **Act** means the Prevention of Money Laundering Act, 2002 (PMLA) which has come into force with effect from 1st July 2005. **Money Laundering** means moving illegally acquired cash through financial systems so that it appears to be legally acquired.
- 2.2 **AML Programme** means the programme to be put in place by every insurer to discharge the statutory responsibility to detect possible attempts of money laundering or financing of terrorism.
- 2.3 **OIC** means The Oriental Insurance Company Limited.
- 2.4 **Principal Compliance Officer (PCO)** means an officer nominated by the Chairman Cum Managing Director, who would be responsible for ensuring compliance with the provisions of the PMLA.
- 2.5 **FIU-India** means Financial Intelligence Unit – India.
- 2.6 **IRDA** means the Insurance Regulatory and Development Authority of India.
- 2.7 **KYC** means Know Your Customer Policy

3.0 Purpose of the Policy and Implementation:

- 3.1 In order to comply with the provisions of the Prevention of Money Laundering Act, 2002, the IRDA has issued guidelines for implementation of the recommendations made by the Financial Action Task Force (FATF) on Anti money laundering standards to be followed by the Insurance Companies in India.
- 3.2 Accordingly this policy has been framed to give effect to the guidelines framed by the IRDA. and circulated to insurers vide their letter Ref: 9a/LIFE/AML/2005-2006 dated 31st March, 2006, Circular No013/IRDA/LIFE/JUL-06 dated 27th July 2006 and Circular No.026/IRDA/AML/Nov-06 dated 9th November 2006.
- 3.3 The Policy shall be implemented by the Head Office and all the offices of the Company such as Regional Offices, Divisional Offices, Branch Offices, Extension Counters and other business units by whatever name called through which a financial transaction can take place.
- 3.4 The company would not like to enter into a contract with any customer whose identity matches with any person with known criminal background or with banned

entities and those reported to have links with terrorist organization. (Terrorist list enclosed)

- 3.5 **Know Your Customer:** AML Policy shall be applicable for policies coming into force on or after 1st January, 2007 at the payout stage **where the claim payment/premium refund exceeds Rs.1,00,000/**. KYC should be carried out as per **Annexure I and Annexure II** for all customers at the payout stage as stated above. However **Annexure II** would be applicable where the premium exceeds Rs. 1,00,000/- per annum.

3.6 **Levels of Due Diligence to be exercised:**

Level 1: Verification of name and address would be insisted upon by collecting any of the documents listed in Annexure-I for those customers who have paid premium less than Rs. 1,00,000/- per annum and preferred a claim exceeding Rs 1,00,000/-in addition to a recent passport size photograph of the policyholder/claimant.

Level 2: In addition to the above the company would also insist upon income proof as per Annexure-II if the policyholder paid a premium exceeding Rs. 1,00,000/- and preferred a claim or premium refund exceeding Rs. 1,00,000/-.

4.0 Safeguards:

- 4.1 No payment of claims shall be allowed to third parties except in cases of payment to legal heirs in the case of death benefits under PA policy and to satisfy MACT awards or the awards of the judiciary. However, under the tie up arrangement/HP agreement the company may release payment to the Banks/financial institutions/dealers. All such payments shall be made after due verification of the bonafide of the beneficiary through Account Payee cheques.

- 4.2 No remittance in cash shall be accepted if the same is more than Rs.20,000/-.

5.0 Record Keeping Policy:

- 5.1 All the offices are required to maintain the records of types of transactions related to payment of claim/refund of premium at the settlement stage where claims payout/premium refund crosses a threshold of Rs.1,00,000/- per claim/premium refund including documents related to KYC norms as mentioned under Rule 10 of PMLA rules 2005 and the same shall be **preserved for a period of ten (10) years**.
- 5.2 The above records may also be maintained in the electronic format and sharing of information on customers may be permitted between different organizations such as banks, insurance companies, Income Tax authorities, Local government authorities upon request. In such cases of requests emanating from the local authorities, the information shall be provided after taking the concurrence of the PCO.
- 5.3 All records of the contracts settled by claim shall be retained for a period of 10 years from the date of settlement of the claim.
- 5.4 In cases where it relates to an ongoing investigation, or transactions that have been the subject of a disclosure, the documents pertaining to the transactions shall be retained until such time it is confirmed that the case has been closed, wherever practicable.

6.0 Appointment of Principal Compliance Officer:

As per the AML policy one officer has to be nominated as Principal Compliance Officer for the purpose of implementing AML programme of the company. Accordingly the company has already nominated an officer as PCO.

7.0 Internal control/audit

The company is already having a full-fledged Internal Audit cum Inspection Department at all regional centers. Apart from usual audit IAID has been entrusted to look into the AML compliance matters separately during their audit of all offices including operating offices.

Annexure I

Customer Identification Procedure

Documents to be obtained from customers in addition to a recent passport size photograph.

Features	Documents
Insurance Contracts with individuals <ul style="list-style-type: none">• Legal name and any other names used	<ol style="list-style-type: none">PassportPAN CardVoter's Identity CardDriving LicenseLetters from a recognized public authority or public servant verifying the identity and residence of the customerPersonal identification and certification of the employees of the insurer for identity of the prospective policyholderWritten confirmation from the banks where the prospect is a customer, regarding identification
<ul style="list-style-type: none">• Proof of Residence	<ol style="list-style-type: none">Telephone billBank account statementLetter from any recognized public authorityElectricity billRation CardWritten confirmation from the banks where the prospect is a customer, proof of residence.Valid lease agreement along with rent receipt, which is not more than 3 months old as a residence proof.Employers' certificate as a proof of residence.Bank account statement includes any bank account opened by the customer wherein his permanent/present residence address is available. However, the statement should not be older than six months as on the date of acceptance.

	<p>x. Telephone bill pertaining to any kind of telephone connection like, mobile, landline, wireless etc is a valid proof of residence, provided it is not older than six months from the date of insurance contracts.</p>
<p>Insurance Contracts with companies</p> <ul style="list-style-type: none"> • Name of the company • Principal place of business • Mailing address of the company • Telephone/Fax Number 	<p>i. Certificate of incorporation and Memorandum & Articles of Association</p> <p>ii. Resolution of the Board of Directors to open an account and identification of those who have authority to operate the account</p> <p>iii. Power of Attorney granted to its managers, officers or employees to transact business on its behalf</p> <p>iv. Copy of PAN allotment letter</p>
<p>Insurance Contracts with partnership firms</p> <ul style="list-style-type: none"> • Legal name • Address • Names of all partners and their addresses • Telephone numbers of the firm and partners 	<p>i. Registration certificate, if registered</p> <p>ii. Partnership deed</p> <p>iii. Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf</p> <p>iv. Any officially valid documents identifying the partners and the persons holding the Power of Attorney and their addresses</p>
<p>Insurance Contracts with trusts and foundations</p> <ul style="list-style-type: none"> • Names of trustees, settlers beneficiaries and signatories • Names and addresses of the founder, the manager/directors and the beneficiaries Telephone/fax numbers 	<p>i. certificate of registration if registered</p> <p>ii. Power of Attorney granted to transact business on its behalf</p> <p>iii. Any officially valid document to identify the trustees, settlers, beneficiaries and those holding power of Attorney, founders/managers/ directors and their addresses</p> <p>iv. Resolution of the managing body of the foundation/association</p>

Annexure II

Income Proofs

Standard Income proofs:

- Income tax assessment orders/Income Tax Returns
- Employer's Certificate
- Audited Company accounts
- Audited firm accounts and Partnership Deed

Non-standard Income Proofs:

- Chartered Accountant's Certificate
- Agricultural Income Certificate
- Agricultural-land details & Income assessments
- Bank Cash-flows statements, Pass-book

Oriental Insurance Company Limited
Anti Money Laundering Policy
Highlights

- AML shall be applicable for policies coming into force on or after 1st January, 2007 **where the claim payment/refund of premium exceeds Rs.1,00,000/-**.
- **Various levels of Due Diligence to be exercised**

***Level 1:** Verification of name and address would be insisted upon by collecting any of the documents listed in Annexure-I for those customers who have paid premium less than Rs. 1,00,000/- per annum and preferred a claim exceeding Rs 1,00,000/-in addition to a recent passport size photograph of the policyholder/claimant.*

***Level 2:** In addition to the above the company would also insist upon income proof as per Annexure-II if the policyholder paid a premium exceeding Rs. 1,00,000/- and preferred a claim or premium refund exceeding Rs. 1,00,000/-.*

Record Keeping

The records and documents pertaining to Policy/claim/refund shall be preserved for a period of ten (10) years.

Training of Employees and Agents

A general appreciation of the background to Money laundering shall be provided to all newly recruited employees, members of the sales/advisory staff, members of the staff who receive and process the proposals and accept the payment of premium, administrative/operations supervisors and managers.

Appointment of Principal Compliance Officer

Shri A K Das, DGM at Head Office has been appointed as the Principal Compliance Officer for the purpose of implementing AML programme of the company. Regions have also been instructed to nominate one officer as a compliance officer.

Internal control/audit

The Internal Audit cum Inspection Department has been instructed to look into the AML compliance matters separately during the audit of all offices including operating offices.

Reports to be submitted

- Cash transaction report for integrally connected cash transactions above Rs.10 lakhs per month to FIU-India by 15th of the next succeeding month.
- Suspicious Transactions Report to the FIU – India within three working days of identification as per the prescribed format.