

 The logo for Paytm Insurance Broking, featuring a blue umbrella icon to the left of the word "Paytm" in a bold, blue, sans-serif font, with "Insurance Broking" in a smaller, black, sans-serif font below it.	Document Title	Anti-Fraud Policy
	Version	1.3

# **Paytm Insurance Broking Private Limited**

## **Anti-Fraud Policy**

## **Objective**

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The “Anti-Fraud Policy” (“Policy”) has been framed to provide a system for prevention and detection of fraud, reporting of any Fraud that is detected or suspected and fair dealing of matters pertaining to Fraud in Paytm Insurance Broking Private Limited (“PIBPL”).

The objective of this Policy is to establish a consistent and responsible attitude to Fraud and dishonesty within the company with the aim of:

- Minimize actual and potential instances of Fraud
- Detect and address fraudulent activities promptly
- Safeguard the company’s assets and reputation
- Promote ethical conduct and a culture of integrity
- Clearly signal zero tolerance toward Fraud to internal and external stakeholders
- Strengthen recovery efforts and reduce financial and reputational losses
- Enhancing the climate of honesty which the company seeks to maintain
- Reducing the opportunities for Fraud in co-operation with other organizations

### **1. Regulatory Requirement**

This Policy is in-line with the “Insurance Regulatory and Development Authority of India (Insurance Fraud Monitoring Framework) Guidelines, 2025” dated 09-10-2025, bearing Ref: IRDAI/IID/GDL/MISC/112/10/2025 (“Guidelines”), read with Clause 18 of IRDAI Guidelines on Insurance e-commerce dated 09.03.2017 bearing Ref: IRDA/ INT/ GOU ECM/ 055/ 03/ 2017.

### **2. Definition**

As per “Insurance Regulatory and Development Authority of India (Insurance Fraud Monitoring Framework) Guidelines, 2025 on Fraud Monitoring Framework dated 09.10.2025, “Insurance Fraud” (“Fraud”) shall mean an act or omission intended to gain advantage through dishonest or unlawful means, for a party committing the Fraud or for other related parties, including but not limited to:

- Misappropriating funds,
- Deliberately misrepresenting, concealing, suppressing or not disclosing one or more material facts relevant to any decision/ transaction, financial or otherwise, or
- Abusing responsibility, a position of trust or a fiduciary relationship

“Red Flag Indicator or RFI” means a possible warning sign that points to a potential fraud and may require further investigation or analysis of a fact, event, statement, or claim, either alone or with other indicators.

“Disciplinary Committee” means the committee approved by the Board as part of this Policy. Presently, the Disciplinary Committee includes the Principal Officer, Chief Compliance Officer, Chief Financial Officer, and HR. The minimum quorum for the Disciplinary Committee would be at least two out of the four members of the Disciplinary Committee mentioned herein.

### **3. Types of Frauds**

#### **3.1. Internal Fraud: Fraud involving internal staff, including employees and / or senior management, and includes but not limited to:**

- a) Embezzlement (i.e. misappropriation of money, securities, supplies, property or other assets);
- b) Fraudulent financial or regulatory reporting (e.g. forging or alteration of accounting documents or records)
- c) inflating expenses, claims/overbilling
- d) paying false (or inflated) invoices, either self-prepared or obtained through collusion

- with suppliers
- e) Tax evasion
- f) Payroll fraud
- g) Unauthorized or illegal manipulation of information technology networks or operating systems
- h) Unauthorized or illegal use of confidential information (e.g. profiteering as a result of insider knowledge of company activities)

**3.2. Policyholder Fraud and/or Claims Fraud: Fraud involving any person(s), in obtaining coverage or payment during the purchase, servicing, or claim of an insurance policy, and includes but not limited to:**

- a) Wrong information provided while filling the Proposal Form by the Policyholder
- b) Misrepresentation of the risk to reduce premium
- c) Buyers filing fraudulent claims or making premium payments using compromised payment cards

**3.3. POS Person Fraud, if applicable, includes but not limited to:**

- a) Non-disclosure or misrepresentation of the risk to reduce premiums
- b) Inflates the premium, passing on the correct amount to the insurer and keeping the difference
- c) Premium diversion-POS Person takes the premium from the purchaser and does not pass it to the insurer

“POSP” refers to a Point of Sale Person.

**4.4 Online Fraud includes:**

- a) Cyber or New Age frauds: Cyber or New Age Fraud means any insurance fraud carried out using digital or new age technologies, including malwares and spywares.
- b) POSP side frauds: Frauds committed by any of the POSP of PIBPL.

**4.5 Affinity Fraud or Complex Fraud:** Fraud involving collusion among one or more Fraud perpetrators in the above categories.

**4.5 External Fraud:** Fraud involving external parties' / service providers / vendors etc.

**5. Fraud Governance Framework Overview**

PIBPL shall establish and maintain a framework for Fraud prevention.

Oversight – PIBPL shall put in place procedures to oversee that Policy is established, implemented and adequate internal controls exist to prevent, identify, detect, investigate, deter and report Frauds.

- a) Prevention – PIBPL will strive towards prevention of Fraud. PIBPL shall have well defined procedures to carry out due diligence on the Employee, POSPs, vendor, etc. before onboarding. In addition, PIBPL shall conduct the following activities:
  - Fraud detection through complain data analysis;
  - Investigate the potential Fraud/Incident complaint, if any, received from time to time;
  - Establish appropriate Fraud Risk Management Framework;
  - Timely investigation

- Identifying the control weakness and adopting the learnings for process enhancement
- b) **Detection** –Every employee shall immediately report any suspected Fraud or dishonest act or omission to Incident Reporting Email ID.
- c) **Response:** PIBPL has zero-tolerance against any Fraud instance, and PIBPL is committed to ensure timely and adequate response to such events within 60 days of such reporting.

## **6. Fraud Risk Management Framework & Red Flag Indicators**

Disciplinary Committee as constituted shall have the primary responsibility for establishing and monitoring all aspects of the Company's Fraud risk management framework or Red Flag Indicators, and prevention activities and performing the Fraud risk assessment as detailed or defined in this document.

Through the Fraud risk management framework, the vulnerability of the Company to fraudulent activities is considered, as well as whether any of those exposures could result in a material misstatement of the financial statements or material loss to the Company.

## **7. Implementing Anti- Fraud processes and controls**

Once the Fraud risk management framework is put in place, management shall reduce and eliminate identified Fraud risks by making changes to the Company's activities and processes and identify the processes, controls and other procedures that are needed to mitigate the identified Fraud risks. Effective and appropriate internal controls, whether automated or manual, which include a well-developed control environment, an effective and secure information system and appropriate control and monitoring activities, are essential to reduce and eliminate identified Fraud risks. The control framework will include Anti-Fraud training and awareness through communications and other means wherever applicable.

## **8. Fraud Risk Governance Procedure**

Standard Operating Procedures (SOPs) shall be laid down for the following by Management:

- Complaint data analysis
- Fraud Risk Assessment and Control
- Investigation process: teams responsible for investigation and their authority
- Monitoring Fraud Remediation
- Disciplinary action
- Fraud Loss and its recovery
- Writing-off of fraud loss

## **9. Fraud Detection**

All employees of PIBPL have a responsibility to undergo the training and identify potential Fraud and should be familiar with different types of Fraud that might occur within his/her area of responsibility and be alert for any indication of irregularities. Every employee shall immediately report any suspected Fraud or dishonest act or omission to Incident Reporting Email ID ([incidentreporting@paytminsurance.co.in](mailto:incidentreporting@paytminsurance.co.in)). The identity of the complainant will be maintained confidential and it shall not be disclosed.

## **10. Fraud Response:**

PIBPL has zero-tolerance against any Fraud instance, and the Company is committed to ensure timely and adequate response to such events. The Company ensures that the matter is investigated until the root-cause is determined,

appropriate action is undertaken, and learnings from such events are identified and implemented. The response may thus include action on fraudster(s), process improvements, enhanced controls, further training and monitoring, etc. In case of handling multiple Fraud cases, Investigation team/ official shall check the severity of the event such as Monetary impact, Risk exposure, etc. and shall take necessary action on priority. The Investigation team shall also inform you of sufficiency of control design, process improvements, training as may be applicable.

**Training, education, and awareness:**

The Company shall conduct periodic training and awareness program for all employees and senior management / leadership on Fraud Risk Management

Due diligence procedures for appointing employees/salespersons shall be conducted by the Company.

**Disciplinary Action:**

- The Investigative Team/ Official sends a Show Cause Notice, evaluates the responses, investigates and submits its findings to the Disciplinary Committee.
- The Disciplinary Committee is responsible for considering the findings of investigations relating to employees and determining appropriate disciplinary action.

**11. Fraud Response:**

**Management Reporting:** For each Fraud case involving an employee, third party, policyholders or POS person, regardless of the amount involved, the Chief Compliance Officer will present the brief of the Frauds reported and action taken to the Board for their information.

PIBPL shall inform to the respective Insurer, whenever there is a suspicion of Fraud which shall impact the Insurer, and provide all relevant details as may be required.

**Reporting to Law Enforcement:** Where the Disciplinary Committee reasonably believes that a Fraud has been committed and require reporting to Law Enforcement, the Company may report the case to appropriate law enforcement authorities.

**Framework for Exchange of Information:** PIBPL, as directed by the Regulator or any industry association, shall closely work with market participants for Fraud prevention and control.

PIBPL has also put in place a Whistle Blower Policy, which aims to provide a channel to the Eligible Persons to report genuine concerns about illegal / unethical behaviour of any employee of the Company or any other matter using the disclosure channels, as and when he/she becomes aware of any actual or possible violation of any Company policy, insider trading, or any other instance of misconduct, Fraud, or act not in the Company's interest.

**12. Review of the Policy**

The Policy shall be reviewed and revised annually, or as required from time to time.