

Group Counter Fraud Policy

Objective and Principles

HKIA guidance on Group-wide Corporate Governance specifically requires the Group's Board to oversee the effectiveness of entity level measures to 'deter, prevent, detect, report and remedy fraud in insurance' across all entities within the Group. The Group Board provides effective oversight through the Group Counter Fraud Policy.

The objective of this policy is to:

- Support Business Units (BUs) and Local Business Units (LBUs) in the development of proportionate fraud systems and controls that meet regulatory requirements;
- Enhance fraud detection, prevention and investigation activity;
- To deliver a framework to tackle fraud that safeguards customers, protects BU/LBU and Group reputations, and provides assurance that fraud risk is managed within appetite; and
- To efficiently protect resources and so support sustainable business growth.

BU/LBUs are required to:

- Develop and maintain a fraud risk management framework.
- Undertake an annual fraud risk assessment.
- Report any suspicion of fraud to Group Security.
- Rigorously investigate alleged fraud instances.
- Perform ongoing monitoring of its fraud risk management program.
- Provide its board with oversight of the design and implementation of the fraud risk framework and internal controls.