



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



ANNEX "A"

AML AND CTF COMPLIANCE QUESTIONNAIRE

THE NEW INDIA ASSURANCE COMPANY LTD.

NAME OF ICRE

JULY 28, 2021

Date Accomplished

A. BOARD OF DIRECTOR AND SENIOR MANAGEMENT OVERSIGHT

1. Board Of Director (BOD) And Senior Management (SM) Oversight

- a. Is there a clear guidance from the BOD of the entity's strategic and operational plans and objectives in ensuring that the entity shall not be used as a ML and TF conduit? If so, please describe including the budget allocations to implement these plans and objectives. Have these plans and objectives been cascaded to Senior Management and responsible officers and employees? If so, state how this was done.

Response:

- ✓ Yes, as branch office operating in the Philippines, we are following ML and TF policy and guidelines from Head Office that was originally approved by the board in its 1482 meeting held on 25th November 2006 as per the guidelines issued by Insurance regulator. The policy was amended in the board meeting held 25th of June 2009, September 2009 and Chief Manager, internal audit department Head office, was designated as Principal Compliance Officer for AML guidelines. Changes and on-going update will be forwarded to all offices as required by local regulators.
- ✓ This is also in conformity with local regulators to align the policy applicable in the Philippines
- ✓ Adherence to local compliance and Insurance Commission regulation.

- b. In relation to question no.1, please describe the control policies and mechanisms (e.g. reportorial requirements, rewards, and disciplinary system, training program, etc.) adopted by the BOD to attain these policies and objectives.

Response:

- ✓ AML/CFT Program
- ✓ In order to discharge the statutory responsibility to detect possible attempts of money laundering or financing of terrorism, every insurer needs to have an AML/CFT program, which should, at a minimum, include;
- ✓ Internal policies, procedures, and controls
- ✓ Appointment of a Principal Compliance officer
- ✓ Recruitment and training of employees/agents
- ✓ Internal Control/Audit

- c. Please describe the entity's framework for ML and TF prevention. What are the roles of the BOD, Senior Management, Compliance Office, Internal Audit and other Offices in ML and TF prevention? What reports are required to be submitted to the BOD to assist them in their decision-making processes?

Response:

- ✓ Internal policies, procedures and controls
 - Know Your Customer (KYC) Norms
 - What are KYC Norms?
 - When should KYC be done?
 - Risk Assessment and Exempt Products
 - Implementation of Unlawful Activities (Prevention)
 - Procedure for freezing of insurance policies of designated individuals/entities
 - Procedure for unfreezing of insurance policies of individuals/entities inadvertently affected by the freezing mechanism, upon verification that the individual entity is not a designated individual entity.
 - Implementation of request received from foreign countries under U.N. Security Council Resolution 1373 of 2001
- ✓ Reporting Obligation
- ✓ Suspicious Transaction report
- ✓ Monitoring and Reporting of Cash transaction

- ✓ Reporting of receipts by Non Profit Organization
- ✓ Reporting of Counterfeit Currency/Forged Bank notes (CCR)
- ✓ Record keeping
- ✓ Compliance arrangements
- ✓ Responsibility of the agents and Corporate agents
- ✓ Appointment of Principal Compliance officer
 - Rights and Responsibilities

- ✓ Recruitment and training of employees/agents
 - New employees
 - Sales/Advisory staff
 - Processing staff
 - Administrative/Operations supervisors and Managers
- ✓ Ongoing training
- ✓ Internal Control/Audit

d. Please describe the risk management system relative to ML and TF Prevention.

Response:

- ✓ **The AML/CFT requirements focus on the vulnerability of the products offered by the insurers to any of the process of money laundering. Insurers shall carry out risk assessment of various products before deciding on the extent of due diligence measures to be applied in each case.**

e. Does the Compliance Office/Officer report directly to the BOD? If not, to whom does the Compliance office/officer report? How frequent is this done?

Response:

- ✓ Compliance officer will report directly to the Chief Operating officer of the Manila branch.
- ✓ Frequency of reporting when there is transaction covered by AMLA compliance.

- f. Please describe the authorities delegated by the BOD to the Compliance Office and the AML and CTF Compliance Officer related to ML and TF prevention.

Response: Authority through the Chief Operating Officer.

- g. What other relevant oversight does the BOD and Senior Management exercise to ensure attainment of the entity's plans and objectives relative to ML and TF prevention?

Response: As branch operating in the Philippines, we are mandated to exercise due diligence, reasonable efforts to determine and proper monitoring to prevent Money laundering and Terror Financing as stated in the AML policy.

2. *Identification, Measurement, Monitoring And Controlling Of Risks And Problems Related To ML And TF.*

- a. Have you conducted risk profiling of all existing customers? If not all, what percentage of the total customers count had been profiled?

Response:

- ✓ Yes, average of 10% for all insured.

- b. Have you conducted an assessment of the risks and vulnerabilities that your entity is exposed into? Please describe how the assessment was done.

Response: Yes, as previously stated

- ✓ Manila office to carry out the risk assessment of various products before deciding on the extent of due diligence measures to be applied in each case.
- ✓ Focus on the vulnerability of the product offered by insurers to any of the process of money laundering.

- c. What identified risks and vulnerabilities is the entity exposed into and how are these risks and vulnerabilities measured, monitored and controlled by the BOD and/or SM?

Response:

- ✓ Exposure of risk regarding huge amount of insurance coverage like Fire, Marine and Engineering Insurance with possibility of suspicious transaction.

- ✓ Risk will be measured through proper assessment, documentation and approval with Head office.

3. *Self Assessment Systems That Are Either Pro-Active, Through Compliance-Testing, Or Reactive, Through Internal Audit*

- a. Have you conducted an over-all assessment of the entity's level of compliance with the Anti-Money Laundering Act of 2001 (AMLA), under Republic Act (R.A.) No. 9160, as amended by R.A. Nos. 9194, 10167, 10365 and 10927, the Terrorism Financing Prevention and Suppression Act (TFPSA), under R.A. No. 10168, their respective Implementing Rules and Regulations (IRR), Circular Letter (CL) No. 2018-48, as amended and other relevant laws, IC and AMLC issuances? Please describe how this was done and state the frequency of the assessment.

Responses:

- ✓ On the basis of Head office AML policy and guidelines, this is being performed regularly.

- ✓ As far as Philippine operation is concerned, experienced wise we are compliant as per IC requirement.

- ✓ Frequency of Philippine compliance when there is fund infusion from Head office that requires AML documentation for submission to the AMLA division of the Insurance Commission.

- b. Based on the assessment, please state in percentage the level of compliance of the entity.

Responses:

- ✓ 100% compliance to AML guidelines.

- c. How are deviation from pre-set guidelines as well as deficiencies and weaknesses noted during internal and external audits corrected and what are the mechanisms undertaken to monitor implementation of corrective measures?

Responses:

- ✓ At branch level, internal audit is conducted on quarterly basis by BDO Cruz and Co., and external audit annually by KPMG Manabat & Co.
- ✓ Audit reports were submitted to head office for their reference.
- ✓ Adverse results of the audit findings this require immediate correction and implementation by the branch.

d. Has your entity recently undergone an internal audit on AML and CTF Compliance? If yes, please summarize the key findings and/or recommendations that were noted in the most recent internal audit report and set out the measures that the BOD has undertaken to address these findings and to monitor the same.

Response:

- ✓ AML & CTF compliance audit undertaken as part of regular internal audit by outside auditors, on the procedures being performed.

| KEY FINDINGS | RECOMMENDED ACTIONS | PROGRESS/DEVELOPMENT |
|--------------|---------------------|----------------------|
| NIL | NIL | NIL |

e. Has your entity recently undertaken compliance testing of other departments, units, offices and branches that is independent of the internal audit? If yes, please describe the process (whether on-site inspections were conducted) and summarize the key findings and/or recommendations that were noted in the most recent compliance testing report and set out the measures that the BOD has undertaken to address these findings and to monitor the same.

Response:

- ✓ Performed at Head office level
- ✓ Manila office used the services of independent internal auditor to performed general audit

| KEY FINDINGS | RECOMMENDED ACTIONS | PROGRESS/DEVELOPMENT |
|--------------|---------------------|----------------------|
| NIL | NIL | NIL |

4. *Management Information System.*

- a. Has the entity carried out an assessment of the effectiveness of the management information system as well as the AML and CTF electronic or manual, as applicable, monitoring system? Please specify how this is done.

Response:

- ✓ Yes performed at Head office level
- ✓ Manila office used Geniisys System as basic data based & its effectiveness is tested by internal auditors.

- b. What reports are being submitted to the BOD or Board level/approved Committee to assist them in their decision making processes relative to ML and TF prevention, who signs them and how frequent are they being required?

Response:

- ✓ A copy provided to the BOD or COO after verification and confirmation of illegal /criminal transaction from compliance officer and report of internal auditor to be submitted on regular basis.
- ✓ There is no reports of suspicious transaction as far as Manila operation is concern

- c. Does the entity keep annual statistics on red flags systems alerts, ML investigations, CT reports, ST reports broken down as to the nature? If so, which Office requires and maintains the same? Please provide copies of the statistics.

Response:

- ✓ Yes at Head Office level but not yet in Manila office as per experienced.

d. Does the entity keep track dispositions of red flag systems alerts? If so, which Office requires and maintains the same? Please provide copies of the tracking report.

Response:

✓ Yes at Head office

5. Capability of Compliance office in Managing the Entity's MTPP

- a. Provide the names and contacts details of AML and CTF Compliance and Alternate Compliance officers. Also, provide the name of another officer designated by the company who is responsible and accountable for all record keeping requirements under the AMLA, as amended, TFP SA, their respective IRR, CL No. 2018-48, as amended and other relevant laws, IC and AMLC issuances.

Response:

1. Mr. Rulie B. Payapaya, 0998 5969642
2. Mr. Garry Abdon, 0998 5969644

- b. Describe the structure of the Compliance Office including the financial, human and technical resources, delegated authorities, reporting and communication line, duties and responsibilities of the Office as a whole and of individual officers and staff together with their qualifications and experience as well as standards in hiring new employees, and control mechanisms (such as the power to monitor and ensure compliance including the authority to impose sanctions or give incentives or rewards when necessary) of the Office in ensuring that the pre-set objectives are adhered by responsible officers and employees in the different Departments, Groups, Units and/or Branches?

Response:

Compliance office composes of 2 officer and 2 line staff of employees who assist in the preparation and reporting directly to the Chief Operating officer.

Duties and responsibilities of each employee;

1. Senior Manager from Accounts Department (Rulie B. Payapaya)
2. Manager from Claims Department (Mr. Garry Abdon)
3. Senior Staff from Underwriting Department (Ms. Rachie Buenafe)
4. Senior Staff from Accounts Department (Mr. Del Sangalang)

- c. How are newly adopted policies and procedures as well as subsequent changes thereto assessed (as adequate or inadequate) and how are the results of the assessment communicated to the BOD, to Senior Management, to different Departments, Units, Groups, Sub-groups and to the Branches up to the frontliners and/or agents?

Response:

d. How is the adequacy of AML and CTF training assessed? Please specify in detail.

Response:

- ✓ Adequate refresher training at regular intervals to ensure that staff does not forget their responsibilities. This might be best achieved by 12 or 6 monthly review of training.

e. Have you taken the necessary measures to prevent criminals or their associates from holding or being the beneficial owners of a significant or controlling interest or holding a management function, including membership in the Board or any Committee within your entity? If yes, please describe the measures taken.

Response:

- ✓ Yes, mostly performed at Head office level.

f. Do you have a screening process that ensures high standards when hiring employees? If yes, please indicate the specific policy provisions applicable.

Response:

- ✓ The Company have adequate screening procedures when hiring employees
- ✓ Only basic requirement, education, Job experienced, interview, performance confirmation from previous employer, school diploma and NBI clearance.

g. Are the directors and senior management subject to internal "fit and proper" requirements including a check on their expertise and integrity? If yes, please provide the relevant policy provisions. If election, selection or appointment is based on family ties, please indicate.

Response:

- ✓ All appointments of directors and senior management is done by the Govt. of India, Ministry of finance under a very rigid procedure

- h. Do you ensure that your foreign branches and subsidiaries observe AML and CTF measures consistent with the Philippines legal requirements? If yes, please indicate the specific policy provisions.

Response: Yes, as part of foreign operation we are mandated to Comply the AML policy forwarded to us by head offices as well as law of the land., where do we operate.

- i. In connection with the last question, was there an instance when the home country supervisor where a foreign branch or subsidiary is located has prohibited the branch or subsidiary from observing the Philippine laws, rules and regulations because it is prohibited by local (i.e. host country) laws, regulations or other measures? If yes, have you notified the Insurance Commission (IC) of this directive? Please indicate the specific legal provision(s) that provide(s) the legal basis for this requirement.

Response: NIL, as branch operating in Philippines we are required to follow local regulations and compliance.

- j. How are the provisions of the Money Laundering And Terrorist Financing Prevention Program (MTPP) disseminated to responsible officers, employees and agents and how are their compliance assessed and monitored?

Response:

- ✓ Ensure that board approved AML/CFT program is being implemented effectively, including monitoring compliance by the company's insurance agents with their obligations under the program.
- ✓ He / She should ensure that employees and agents of the company have appropriate resources and are well trained to address questions regarding the application of the program in light of specific facts
- ✓ He / She should be able to act independently and report to senior management
- ✓ He / She and staff assisting him in execution of AML/CFT guidelines should have timely access to customer identification data, other KYC information and records.

- k. What other relevant management practices does the Compliance Office exercise to manage its MTPP and ensure attainment of the entity's plans and objectives relative to ML and TF prevention?

Response:

- ✓ The guidelines place the responsibility of a robust AML/CFT program on the Company. Nonetheless, it is necessary that steps are taken to strengthen the level of control and the agents and corporate agents engaged by the insurers.

- ✓ Instruction manuals on the procedures for selling insurance products, customer identification, record-keeping, acceptance and processing of insurance proposals, issue of insurance policies should be set out.
- ✓ The concept of AML/CFT should be part of in-house training curriculum for agents and employees

6. *Nature Of Weaknesses Noted And Ability To Address Existing And Potential Risks And Problems*

- a. Has your entity undergone a previous AML and CTF Compliance Checking by the IC? If yes, please summarize the key findings and/or recommendations that were noted in the most recent AML and CTF report and set out the measures that the BOD has undertaken to address the findings and to monitor the same.

Response:

The branch used to Comply AMLA compliance on infusion of funds regarding IC Capital requirement.

| KEY FINDINGS | RECOMMENDED ACTIONS | PROGRESS/DEVELOPMENT |
|--|---|--|
| Documentation requirement on the infusion of funds from Head | Timely submission of documents to avoid penalty | Submitted on time with regard to the subsequent compliance |

- b. How are deviation from pre-set guidelines as well as deficiencies and weaknesses noted during internal and external audits corrected and what are the mechanisms undertaken to monitor implementation of corrective measures?

Response:

- ✓ Based on the results of Internal audit (general audit) most of the findings noted in the report is more in processing and operation, which is manageable.
- ✓ External audit more on Capitalization compliance with Insurance Commission, data privacy and taxes payment

7. Institutional Risk Assessment

a. Has your entity undergone an institutional Risk Assessment? If yes, when was this conducted?.

Response: Annual Enterprise Risk Management exercise is undertaken by Head office. It has separate Enterprise Risk Management department, which is supported by independent agency (Earnest & Young)

b. Has your entity documented the risk assessment and findings? If yes, please summarize the key findings and/or recommendations that were noted in the most recent Institutional Risk Assessment and set out the measures undertaken to address the findings and to monitor the same.

Response: For our Manila office

| KEY FINDINGS | RECOMMENDED ACTIONS | PROGRESSE/DEVELOPMENT |
|--------------|---------------------|-----------------------|
| NIL | NIL | NIL |

c. Has your entity considered all the relevant risk factors, including the results of national and sectoral risk assessment, before determining what is the level of overall risk and the appropriate level and type of mitigation to be applied? If yes, please provide a summary.

Response:

- ✓ Not applies in Manila branch but address at our Head office AML and FT policy under ERM

B. MONEY LAUNDERING AND TERRORIST FINANCING PREVENTION PROGRAM

1. *Customer Identification, Verification and Ongoing Monitoring Process*

- a. Does the entity apply a risk-based approach to combating money laundering and terrorist financing? If so, please provide an overview of these policies and procedures. The overview should (1) portray the entity's philosophy towards risk-based (does it form an integral part of the entity's business framework?), (2) indicate how the relevant risk assessments are undertaken and their bases to help determine the policy and its practical application, and (3) describe the mechanism by which permitted variations from the generally applicable standards are promulgated, and what arrangements, if any, are in place to monitor the continuing suitability of the exceptions. Please provide the basis in the entity's MTPP.

Response:

Risk Assessment and Exempt Products, the AML/CTF requirements focus on the vulnerability of the products offered by the insurers to any process of money laundering. Insurers shall carry out risk assessment of various products before deciding on the extent of due diligence measures to be applied in each case.

- b. Does your entity permit the opening of anonymous accounts, accounts in fictitious names and other accounts not otherwise under the true and full name of the customer/client? If yes, please indicate the approximate number of accounts, pertinent policies and procedures for opening and the level of approving authority.

Response:

- ✓ NIL as NO such permission is given.
- ✓ This will result as violation of all audit required by the branch

- c. Does your entity undertake customer due diligence (COD) measures when:

- i. Establishing business relations?

Response: **Yes**

- ii. Carrying out transactions with non-clients? **Yes**
- iii. Carrying out occasional transactions? **Yes**
- iv. Dealing with trustee, nominee, agent, or intermediary, applying COD not only on the latter but also on the trustors or principals? **Yes, but not as per experienced in the branch**
- v. Dealing with juridical entities that have no business substance in their own right but through which transactions may be conducted, applying COD on the entities' beneficial owner? **No such matter.**
- vi. The entity has doubts about the veracity of previously obtained customer identification document or data? **No such incident**

For each of the above, please describe in detail the COD process and the specific provision in the MTPP that apply.

Response:

- ✓ Some queries are not applicable to the business style and nature of the branch and operation in Philippines

- d. Does your entity undertake customer due diligence (COD) measures on the beneficiary(ies) of life insurance and other investment related insurance policies? Please describe in detail the COD process and the specific provision in the MTPP that apply.

Response:

- ✓ Not applicable as this organization does not deal in life insurance

- e. Explain the COD requirements applicable to potential individual customers stating the minimum information to be obtained, IDs acceptable and its classification based on reliability, if any, and policy in updating identification information citing the specific internal policy provisions.

Response:

- ✓ Customer identification procedure documents that maybe obtained from individual customers
 - Legal name and any other name used
 - Passport
 - Voters identity card
 - Drivers license
 - Proof of residence
 - Letter from recognized public authority

- Personal identification and certification of the employees on the insurer for identity of the policy holder and etc.
- f. Explain the CDD requirements applicable to potential customers that are juridical entities and the persons acting on their behalf such as but not limited to the President and the authorized signatory/ies stating the minimum information to be obtained, IDs acceptable and its classification based on reliability, if any, measures to prevent the unlawful use of legal persons in relation to money laundering and terrorist financing and policy in updating identification information citing the specific internal policy provisions.

Response: Insurance contracts with partnership firms, require the following documentation;

- ✓ Legal Name
 - ✓ Address
 - ✓ Name of all partners and their addresses
 - ✓ Telephone numbers of the firm and partners
 - ✓ Registration certificate, if registered
 - ✓ Partnership deed
 - ✓ Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf
 - ✓ Any officially valid document identifying the partners and Power of Attorney and their addresses.
- g. Does your entity identify the beneficial owner of juridical entities dealing with your entity and verify the information acquired? If yes, please describe in detail including the specific internal policy provisions.

Response: Please refer to answer letter F

- h. Does your entity verify the true identity of customers, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted and provided by the customer, using reliable and independent sources, documents, data, or information? If yes, please describe in detail including the specific internal policy provisions.

Response: Commensurate with the assessed risk of customer and product profile as part of due diligence measures which may include:

- ✓ Conducting independent inquiries on the details collected on/provided by the customer where required.
- ✓ Consulting a creditable database public on other etc.,
- ✓ Relevant records and details must be maintained in such a way that it enables verification at a later date and support the fact of having established sources of funds involved in the insurance contract.

- i. Does your entity verify that any person purporting to act on behalf of a customer is so authorized, and identify and verify the identity of that person? If yes, please describe in detail including the specific internal policy provisions.

Response:

- ✓ Yes, all offices of the company are required to conduct detailed due diligence while taking insurance risk exposure to individuals/entities connected with countries identified by FATF as having deficiencies in their AML/CFT regime.

- j. Does your entity identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using the relevant information or data obtained from reliable sources, such that the entity is satisfied that it knows who the beneficial owner is? If yes, please describe in detail including the specific internal policy provisions.

Response:

- ✓ Yes, Written confirmation from the banks where the prospect is a customer. Customer ID issued by any regulated entity/Government, current passbook with details of permanent/present residence address similar with bank statement.

- k. Does your entity understand and, as appropriate, obtain information on, the purpose and intended nature of the account, transaction, or the business relationship with its customers? If yes, please describe in detail including the specific internal policy provisions.

Response: The same reply to letter J.

- l. Does your entity, on the basis of materiality and risk, conduct ongoing due diligence on the business relationship of existing customers? If yes, please describe the extent/scope of this obligation and indicate the specific internal policy provisions.

Response: Care has to be exercised to avoid unwitting involvement in the insuring assets bought out of illegal funds. Appropriate measures commensurate with the assessed risk of customer and product profile as part of their due diligence measures which may include;

- ✓ Conducting independent enquiries on the details collected on/provided by the customer where required
- ✓ Consulting a creditable database public or other etc.,
- ✓ Relevant records and details must be maintained in such away that it enables verification at a later date and support the fact of having established sources of funds involved in the insurance contract.

- m. Does your entity perform enhanced due diligence for higher risk categories of customer, business relationship or transaction and does it apply to existing customers? If yes, please explain including reference to the list of customers considered as high-risk, criteria and factors considered in applying EDD, types of measures required, control mechanisms for managing the risks associated with dealing with these customers, validation procedures and the specific internal policy provisions. Also, provide number of high-risk customers per category.

Response:

- ✓ Similar measures shall be applied on countries considered as high risk from terrorist financing or money laundering perspective based on prior experiences, transaction history or other factors, legal consideration, or allegations of official corruption.

- n. Does your entity apply reduced due diligence where there is low risk of ML or TF? If yes, please explain providing details of any applicable conditions/standards and specific internal policy provisions. Is this permitted with regard to customers that are resident in another country? If yes, please explain further.

Response:

- ✓ Considering the vulnerability of general insurance products to threats of money laundering at the claims stage, offices are required to carry out KYC norms at the settlement stage where claim payout/premium refund crosses a threshold amount.

- o. What does your entity do in cases where it is unable to satisfactorily complete the COD measures required by existing internal rules or under CL 2018-48, as amended, the AMLA, as amended, and its IRR? Please indicate the specific internal policy provisions that apply.

Response:

- ✓ Company may require additional information from other parties with reliable source like banks, ID from regulated government and proof of residences.

P. what are your obligations with regard to establishing business relationships with a politically exposed person, his/her immediate family relative, his/her close relationship/associates, entities related to them? Please describe the existing policies governing these arrangements, including the standard of due diligence that apply to them on account opening, control mechanisms to address the risks associated with dealing with them, and updating of identification information with references to specific internal policy provisions.

Response: Insurance contracts with partnership firms, require the following documentation;

- ✓ Legal Name
- ✓ Address
- ✓ Name of all partners and their addresses
- ✓ Telephone numbers of the firm and partners
- ✓ Registration certificate, if registered
- ✓ Partnership deed
- ✓ Power of Attorney granted to a partner or an employee of the firm to transact business on its behalf

Any officially valid document identifying the partners and Power of Attorney and their addresses

- q. Does your entity allow non-face-to-face transactions (transactions with trustee, nominee, agent or intermediary accounts including account opening)? If yes, please explain the existing policies governing these arrangements as well as the control mechanisms to address the risks associated with this type of business relationships or transactions with references to specific internal policy provisions.

Response: Yes, with consideration of the following requirements;

- ✓ Name of trustees, settlers beneficiaries and signatories
- ✓ Names and addresses of the founder, the managers/directors and beneficiaries
- ✓ Telephone/emails
- ✓ Certificate of registration
- ✓ Power of Attorney granted to transact business on its behalf
- ✓ Any officially valid documents to identify the trustees, settlers, beneficiaries and those holding Power of Attorney, founders/managers/directors and their addresses
- ✓ Resolution at the managing body of the foundation/association

m. Do any of your businesses make use of third parties, referral by brokers, intermediaries, fiduciaries, affiliates, subsidiaries and the like (Collectively called as third parties)? If Yes, please identify the third-parties and the due diligence undertaken on the third parties. Please also identify the business areas which make use of third parties, the approval process for introducing customers/clients, the type of relationship, and whether or not such third parties perform the CDD process that would usually be undertaken by the entity;

Response: Brokers place business for their clients. We deal with only those, who have valid authorization by Insurance Commission and they have to produce letter from client, appointment them as Broker on record.

n. Do you rely on third parties to perform some of the elements of the COD process (face-to-face or gathering of the minimum information)? If yes, please explain the existing policies governing these arrangements as well as the control mechanisms to address the risks associated with this type of business relationships or transactions with references to specific internal policy provisions.

Response: No

o. Are there instances where you outsource some of the elements of the CDD process (face-to-face or gathering of the minimum information)? If yes, please explain the existing policies governing these arrangements as well as the control mechanisms to address the risks associated with this type of business relationships or transactions with references to specific internal policy provisions.

Response: No

p. What are your obligations with regard to business relationships and transactions with persons (including legal persons and other financial institutions) who are nationals or citizens of foreign jurisdiction or geographical location which do not or insufficiently apply internationally accepted AML and CTF standards, as determined by relevant domestic or international bodies? Please provide the internal policy provisions, which serve as basis for these obligations.

Response: We do not deal with such entity. They must have a resident agency or authorized legal representative in Philippines to directly deal.

- q. Are there measures in place to ensure that your entity is advised of concerns about weaknesses in the AML/CTF systems of other countries? If yes, please describe these measures and how these concerns are incorporated into the entity's Program.

Response: Similar measures shall be applied on countries with high risk from terrorist financing or money laundering activity.

- r. Are there measures in place to ensure that funds collected by or transferred through non-profit organizations are not diverted to support the activities of terrorists or terrorist organizations? If so, please specify what these measures are and indicate the specific policy provisions.

Response:

- ✓ **All transaction involving receipts by non-profit organizations of value more than one million, or its equivalent in foreign currency, to be reported to the AMLA division of the Insurance Commission 15 days of next succeeding month.**
- s. What are your obligations with regard to relevant United Nations Security Council Resolutions relating to the prevention, suppression and disruption of proliferation of weapons of mass destruction and its financing? Please provide the internal policy provisions, which serve as basis for these obligations.

Response:

- ✓ **Address by Head office AML policy**

2. Record Keeping and Retention Process

- a. Please describe the record-keeping obligation including the type of records and information that should be maintained. Please indicate the specific internal policy provisions.
- b. Do you maintain all necessary records on transactions, both domestic and international and, if so, for how long following completion of the transaction? Who are the designated custodians that shall be accountable and responsible for safekeeping these documents?

- c. Do you maintain records of the identification information and documents and data, account files and business correspondence and, if so, for how long following the termination of an account or business relationship?
- d. Do you ensure that all customer and transaction records and information are available on a timely basis to competent authorities? If yes, please indicate the designated custodian that shall be accountable and responsible for safekeeping and making these records available with references to specific internal policy provisions.

Response from a-d:

- ✓ All Offices and Intermediaries such as agents, corporate agents, brokers etc are required to maintain the records of types of transactions as well as those relating to the verification of identity of clients for a minimum period of 5 years from the date of transaction. Records pertaining to all other transactions, (for which insurance companies are obliged to maintain records under other applicable legislations/regulations/Rules) insurance companies are directed to retain records as provided in the said legislation/regulations/rules but not less than a period of 5 years from the date of end of the business relation with the customer. Records can be in electronic form.

3. Covered and Suspicious Transaction Reporting

- a. Do you have an electronic money laundering transaction monitoring system in place? If yes, is it internally developed or purchased from a vendor, and does it have the following automated functionalities?

Response:

- ✓ Yes, applied as per New India AML policy and guidelines in Head office

- i. Covered and suspicious transaction monitoring – performs statistical analysis, profiling and able to detect unusual patterns of account activity;

Response:

- ✓ Yes as per AML policy of head office

ii. Watch list monitoring – checks transfer parties (originator, beneficiary, and narrative fields) and the existing customer database for any listed undesirable individual or corporation;

Response:

✓ Yes as per AML policy of Head office

iii. Investigation–checks for given names throughout the history of payment stored in the system;

Response:

✓ Yes within 5 years

iv. Can generate all the CTRs of the ICREs accurately and completely with all the mandatory field properly filled up;

Response:

✓ Yes

v. Must provide a complete audit trail; **Yes**

vi. Capable of aggregating activities of a customer with multiple accounts on a consolidated basis for monitoring and reporting purposes; and

Response: Yes

vii. Has the capability to record all STs and support the investigation of alerts generated by the system and brought to the attention of senior management whether or not a report was filed with the AMLC

Response:

✓ Yes, with required step by step procedures on the basis of procedures and guidelines.

- b. If no, please describe how you manually perform the functionalities mentioned above.

Response:

- ✓ Based on the system in place it is not automatically provided, still it requires manual intervention with employees.
- c. Do you pay special attention to unusual transactions? If yes, how do you define unusual transactions? And what type of special measures do you implement in managing them? Please indicate the specific internal policy provisions for this requirement.

Response:

- ✓ Yes, Special attention to be paid to all complex unusually large transactions and unusual pattern.
 - ✓ Reports to compliance officer for immediate identification and investigation
- d. Are you required to report to the AMLC a suspicious transaction report (STR), when you suspect or have reasonable grounds to suspect that funds are the proceeds of a criminal activity? Please describe the scope of the obligation, the decision process and the decision maker within the entity (whether or not to file an STR) with references to the specific internal policy provisions that mandate reporting.

Response:

- ✓ Yes, after identification, verification and review by the principal compliance officer with approval of the Company Chief Operating Officer as per Manila operations, the STR must be filed in due time.
- e. Does the obligation to make an STR also apply when you suspect or have reasonable grounds to suspect that funds are related to terrorism? If yes please describe the scope of this obligation, the decision process and the decision maker within the entity (whether or not to file an STR) with reference to the specific internal policy provisions that mandate reporting.

Response:

- ✓ Within Manila operation, this is under the overall supervision of the COO, final approval originates from him.

f. other than the 6 specified circumstances for filing STR, what other instances do you report an STR or an alert has been tagged using the last item-any transaction that is similar or analogous to any of the foregoing, i.e. tax evasion, malversation of public funds, bribery, etc?

Response:

- ✓ Not as per experienced and observation of the Manila branch, reasonable for Philippines Operation.

g. What is the legal protection against potential liability available to your officers and/or staff who report their suspicion in accordance with the legal obligation to report? Please describe, by reference to the specific internal policy provisions, the scope of the protection in terms of who would benefit from it and the types of liability against which it is available.

Response:

- ✓ It is mandated by the AML policy and guidelines of the company, basically not enumerated, but perhaps for future guidelines it may be specified under this. NIA has E & Policy covering all decision makers

h. Do you prohibit your officers and staff from disclosing ("tipping off") to any person the fact that an STR, CTR or related information is being reported or provided to the AMLC? If they are, please describe the scope of this prohibition by reference to the specific internal policy provisions.

Response:

- ✓ As stated in the policy, directors, officers and employees shall be prohibited from disclosing the fact that a suspicious transactions report or related information of a policy holder, prospect is being reported or provided.

4. *Employment And Training Program*

a. Please indicate the standards that apply when hiring new staff to the Compliance Office, the Internal Audit and the entity as a whole?

Response:

- ✓ Company has adequate screening procedures when hiring employees
- ✓ The concept of AML/CTF is part of in-house training curriculum for agents

- b. Please describe the entity's AML training and refresher program with specific references to the level of training and focus on the participant, the Office tasked to implement the program, the financial, human and technical support that that Office has been given and frequency of offering.

Response:

- ✓ It will also be necessary to make arrangements for refresher training at regular intervals to ensure that staff does not forget their responsibilities.
- ✓ This might be best achieved by a twelve or six monthly review of training.
- ✓ Timing and content of training packages for staff will need to be adapted by individual insurance institutions for their own needs.

- c. Are the staffs of the Compliance Office and Internal Audit Office provided with training for combating money laundering and terrorist financing that is different from the staff of other offices? Please give details.

Response: Yes, The following training requirements are considered essential based on the class of employees:

- ✓ A general appreciation of the background to money laundering, and the subsequent need for identifying and reporting of any suspicious transactions to the appropriate designated point should be provided to all new employees who will be dealing with customers or their transactions. Irrespective of the level of seniority.
 - ✓ Companies- internal audit/inspection department should be trained on how to verify on a regular basis, compliance with policies, procedures and controls required to be in place under the guidelines.
- d. Do you have an on-going employee training on AML and CTF? if yes, please indicate the last employee training on AML and CTF and the schedule for the year as well as the specific policy provisions for this requirement.

Response:

- ✓ It will also be necessary to make arrangements for refresher training at regular intervals to ensure that staff does not forget their responsibilities.
- ✓ This might be best achieved by a twelve or six monthly review of training.
- ✓ Timing and content of training packages for staff will need to be adapted by individual insurance institutions for their own needs.

C. INTERNAL CONTROLS AND AUDIT

1. what is the structure of the internal Audit Office including the financial, human and technical resources, delegated authorities, reporting and communication line, duties and responsibilities of the office as a whole and of individual officers and staff together with their qualification and experiences as well as standards in hiring new staff, and control mechanisms of the Office in ensuring that the pre-set objectives are adhered by responsible officers and staff in the different Department, Groups, Units and/or Branches?

Response: Audit firm, BDO Roxas Cruz Tagle and Co. as internal auditor of the company.

- ✓ **Audit the Company internal control procedures**
- ✓ **Financial process**
- ✓ **Employees**
- ✓ **Regulatory compliance**
- ✓ **Fraud and etc.**
- ✓ **At Head office level, the assigned AML compliance officer is the Head of Internal audit department.**

2. Do you establish and maintain internal procedures, policies and controls to prevent ML and TF? How do you communicate these to the officer, staff and employees? Please provide details with reference to the applicable policy provisions.

Response: It will start with the immediate officer and their delegation to the staff.

- ✓ **Orientation**
- ✓ **Memo to be issued for the awareness of all employees**
- ✓ **Email will be sent for immediate communication**
- ✓ **Feed back and queries for the understanding and clarification**

3. Do you maintain an adequately resourced and independent audit function that tests compliance with these procedures, policies and controls? If yes, please indicate the available resources, financial, human, and technical and the specific policy provisions for this requirement.

Response: Yes, as stated in point number one the company have 2 types of local auditors intended for internal audit and external audit and Indian auditor for internal audit and Government audit.

- ✓ **BDO Roxas Cruz Tagle and Co.- Internal Audit**
- ✓ **KPMG Manabat – External Auditor**
- ✓ **Head office internal audit**
- ✓ **Head office Central Government audit**

O. IMPLEMENTATION

1. *Covered And Suspicious Transaction Reporting Policies And Procedures*

- a. Do you have an electronic money laundering transaction monitoring system in place? If yes, is it internally developed or purchased from a vendor, and does it have the following automated functionalities?
 - i. Covered and suspicious transaction monitoring – performs statistical analysis, profiling and able to detect unusual patterns of account activity;
 - ii. Watch list monitoring – checks transfer parties (originator, beneficiary, and narrative fields) and the existing customer database for any listed undesirable individual or corporation;
 - iii. Investigation – checks for given names throughout the history of payment stored in the system;
 - iv. Can generate all the CTRs of the CREs accurately and completely with all the mandatory field properly filled up;
 - v. Must provide a complete audit trail;
 - vi. Capable of aggregating activities of a customer with multiple accounts on a consolidated basis for monitoring and reporting purposes; and
 - vii. Has the capability to record all STs and support the investigation of alerts generated by the system and brought to the attention of senior management whether or not a report was filed with the AMLC.
- b. If no, please describe how you manually perform the functionalities mentioned above.

Responses:

- ✓ Suspicious activity monitoring program should be appropriate to the company and the products it sells. Special attention should be paid to all complex, usually large transaction and all unusual patterns, which have no apparent economic or visible lawful purpose. Background of such transactions, including all documents, office records, memorandums pertaining to such transaction as such transactions, as far as possible, should be examined by the Principal Compliance Officer for recording his findings.
 - ✓ All offices of the Company should report the suspicious transactions immediately on identification. Such reports should include attempted transaction, whether or not made in cash, irrespective of the money value involved. When such transactions are identified past facto the contract,, a statement may be submitted to AMLA division of the Insurance Commission in the prescribe format.
 - ✓ Directors, officers and employees (permanent and temporary) shall be prohibited from disclosing the fact a suspicious transactions report or related information of a policyholder/prospect I being reported or provided to the authorities.
- c. Do you pay special attention to unusual transactions? What type of special measures do you implement in managing them?

Response:

- ✓ Yes, Special attention should be paid to all complex unusually large transactions and unusual pattern.
 - ✓ Reports to compliance officer for immediate identification and investigation.
- d. Are you required to report to the AMLC a suspicious transaction report (STR) when you suspect or have reasonable grounds to suspect that funds are the proceeds of a criminal activity? Please describe the scope of the obligation, the decision process and the decision maker within the entity (whether or not to file an STR).

Response:

- ✓ Yes, after identification, verification and review by the principal compliance officer with approval of the Company Chief Operating Officer as per Manila operations, the STR must be filed in due time.

- e. Does the obligation to make an STR also apply when you suspect or have reasonable grounds to suspect that funds are related to terrorism? If yes please describe the scope of this obligation, the decision process and the decision maker within the entity.

Response:

- ✓ Within Manila operation, this is under the overall supervision of the COO, final approval originates from him.

- f. Other than the 6 specified circumstances for filing an STR, what other instances do you report an STR or an alert has been tagged using the last Item- any transaction that is similar or analogous to any of the foregoing, i.e. tax evasion, malversation of public funds, bribery, etc?

Response:

- ✓ Not as per Manila branch observation

- g. What is the legal protection against potential liability available to your officers and/or staff who report their suspicion in accordance with the legal obligation to report?

Response:

- ✓ It is mandated by the AML policy and guidelines of the company

- h. Does the Compliance Office keep annual statistics on red flags systems alerts, IML investigations, CT reports, ST reports broken down as to the nature? Please provide copies of the statistics.

Response:

- ✓ N/A as per branch observation, possible copy maybe at Head office experienced

- i. Does the Compliance Office keep track dispositions of red flag systems alerts? Please provide copies of the tracking report.

Response:

- ✓ Not applicable as per experienced of the branch

- j. Do you prohibit your officers and staff from disclosing ("tipping off") to any person the fact that an STR, CTR or related information is being reported or provided to the AMLC?

Response:

- ✓ Yes, all employees including directors of the company

2. *Risk Based And Tiered Customer Acceptance, Identification, Verification And Ongoing Monitoring Policies And Procedures*

- a. Does your entity undertake customer due diligence (COD) measures when:
- i. establishing business relations?
✓ Yes
 - ii. carrying out transactions with non-clients?
✓ Yes
 - iii. carrying out occasional transactions?
✓ Yes
 - iv. dealing with trustee, nominee, agent, or intermediary, applying COD not only on the latter but also on the trustors or principals?
✓ Yes
 - v. dealing with juridical entities that have no business substance in their own right but through which financial transactions may be

conducted, applying COD on the entities' beneficial owner?

✓ Yes

vi. the entity has doubts about the veracity of previously obtained customer identification document or data?

✓ Yes

b. Does your entity undertake customer due diligence (COD) measures on the beneficiary(ies) of life insurance and other investment related insurance policies?

✓ Yes

c. Does your entity identify the beneficial owner of juridical entities dealing with the entity and verify the information acquired?

✓ Yes

d. Does your entity verify the true identity of customers, including validating the truthfulness of the information and confirming the authenticity of the identification documents presented, submitted and provided by the customer, using reliable and independent sources, documents, data, or information?

✓ Yes

e. Does your entity verify that any person purporting to act on behalf of a customer is so authorized, and identify and verify the identity of that person?

✓ Yes

f. Does your entity identify the beneficial owner and take reasonable measures to verify the identity of the beneficial owner, using the relevant information or data obtained from a reliable sources, such that the entity is satisfied that it knows who the beneficial owner is?

✓ Yes

g. Does your entity understand and, as appropriate, obtain information on, the purpose and intended nature of the account, transaction, or the business relationship with its customers?

✓ Yes

h. Does your entity, on the basis of materiality and risk, conduct ongoing due diligence on the business relationship of existing customers?

✓ Yes

i. Does your entity perform enhanced due diligence for higher risk categories of customer, business relationship or transaction and does it apply to existing customers?

✓ Yes

- j. Does your entity apply reduced due diligence where there is low risk of ML or TF? What does your entity do in cases where it is unable to complete the COD measures required by existing internal rules or under CL 2018-48, as amended, the AMLA, as amended, and its IRR?

✓ Yes

- k. What does your entity do in cases where it is unable to complete the COD measures required by existing internal rules or under the CL 2018-48, as amended, the AMLA, as amended, and its IRR?

✓ Yes

- l. In case of non-face-to-face services, does the entity ensure that control measures to address risks associated with this type of business relationships or transactions are implemented?

✓ Yes

3. **Record-Keeping And Retention Policies And Procedures**

- a. What are the type of records and information that your entity maintains?

Response: The Company maintained records of all insured/clients in the Geniisys System with basic information with the following;

- ✓ Address
- ✓ Contact number, telephone, fax and email address
- ✓ Photo copy insured
- ✓ Business registration Certificate

- b. Do you maintain all necessary records on transactions and, if so, for how long following completion of the transaction? Who is/are the designated custodian that shall be accountable and responsible for safekeeping these documents?

Response: Records maintained in External file and printed copy with retention within 5 to 10 years

- c. Do you maintain records of the identification documents and information, account files and business correspondence and, if so, for how long following the termination of an account or business relationship?

Response: Yes from 5 to 10 years

- d. Do you ensure that all customer and transaction records and information are available on a timely basis to competent authorities? If yes, please indicate the designated custodian that shall be accountable and responsible for safekeeping and making these records available.

Response: Yes, as follows;

- ✓ Del Sangalang from accounting department
- ✓ Garry Abdon, from Claims Department
- ✓ Rachie Buenafe from Underwriting department
- ✓ Mary ann Francisco from HR department

- e. Do you conduct compliance testing to ensure that all units and/or branches maintain and safely store KYC and transaction records?

Response: Yes, if found there is a suspicious transaction noted and reported by the employees

- f. Does the Internal Audit cover an assessment of compliance of the record-keeping and retention process?

Response: Yes, basically aligned with the requirement of regulatory compliance

4. *Continuing Education And Training Program*

- a. Are newly hired employees required to attend AML and CTF training?

Response: Selected and depends on the assigned duties and responsibilities

- b. Is there an existing training and refresher program for all responsible directors, officers and staff? Please provide a copy of the program.

Response: This is covered by Head office

- c. Are the staffs of the Compliance Office and Internal Audit Office provided with training for combating money laundering and terrorist financing that is different from the staff of other offices?

Response: Whenever there is available training, the staff are require to attend the seminar

- d. Do you have an on-going director and employee training on ML and TF prevention? If yes, please indicate the last training and the schedule for the year.

Response: Local training represented by the industry or PIRA

CONFIDENTIAL - SUBJECT TO PROTECTIVE ORDER

e. Do you conduct a regular post test on directors and employees to gauge their understanding of AMLA, as amended, its IRR, CL 2018-48, as amended, and other IC and AMLC relevant regulations?

Response: as per Head office yes, for Manila branch NIL

f. Provide statistics on education and training provided to responsible directors, officers and employees covering the immediately preceding year.

Response: Directors being taken care by our Head Office while Manila branch depending on the representation of the Industry association or Insurance Commission.

| Classification (e.g. new employees; regular employees; board of directors; agents; officers etc.) | Total Number per Classification | Number of Training | Date of Training | Number of directors, officers and employees who completed the training |
|---|---------------------------------|--------------------|------------------|--|
| Staff | 4 | None | None | None |
| Officers | 2 | 2 | 5 years ago | 2 |
| Agents | 18 | None | None | None |

LIST OF DIRECTORS

| NAME | QUALIFICATION | FIELD OF QUALIFICATION |
|--------------------------------------|---|-------------------------------|
| ATUL SHAI | M.A.D.C.M.A. I.I.I | INSURANCE AND FINANCE |
| SANJEEV KAUSHIK | Mechanical Engineer (BITS Pilan) MBA | Finance and Investment |
| ATUL KUMAR GOEL | B. COM. CA | Banking, Investment & Finance |
| AERANTHU SEKHARAPANIKER RAJEEV | Mathematics Graduate, FCA, MBA | Banking, Investment & Finance |
| S K BANEJEE | Master of Commerce, Fellow ICAI | Finance |
| S K CHANANA | M.A. LLB, ACS | Insurance and Investment |
| VANDITA KAUL | M. Sc Zoology | FINANCE |

E. ICRE DATA/ INFORMATION

1. Provide information on the total asset of the entity as of 31. December of the immediately preceding year.

**Response: Total Assets The New India Assurance Manila Branch
P1,637,779,654.00**

2. Provide a list of all products being offered/sold according to classification by the ICRE.

- ✓ **Fire Insurance**
- ✓ **Motor Car Insurance**
- ✓ **Marine Insurance**
- ✓ **Personal accident Insurance**
- ✓ **Engineering Insurance**
- ✓ **Miscellaneous Insurance**

3. Provide data/ information on products covering the immediately preceding year.

| Product Classification | Total Premium Contract Price/Membership Fees Received | Number of issued of Sold Policies/ Pre-need Plans/HMO Agreements | Number of outstanding policies/ pre need plans/HMO agreements | Number of Policies/Pre Need Plans/HMO Agreements/Surrendered/Cancelled/Lapsed |
|-----------------------------|---|--|---|---|
| Fire Insurance | 11,016,777.34 | NA | NA | NA |
| Motor Car Insurance | 41,885,734.49 | NA | NA | NA |
| Marine Insurance | 3,100,120.46 | NA | NA | NA |
| Personal accident insurance | 26,164,904.39 | NA | NA | NA |
| Engineering Insurance | 13,625,352.64 | NA | NA | NA |
| Miscellaneous | 15,961,594.59 | NA | NA | NA |

4. Provide number of suspicious and covered transactions reported to AMLC covering the immediately preceding year.

| TYPE OF REPORT | NUMBER OF REPORTS SUBMITTED |
|--------------------------------|-----------------------------|
| Suspicious Transaction Reports | NIL |
| Covered Transaction Reports | NIL |

CERTIFICATION

The undersigned President and AML and CTF Compliance Officer of the company certify that the responses and explanations set forth in the above AML and CTF Compliance Questionnaire are true, complete and correct of our own personal knowledge and/or based on authentic records.

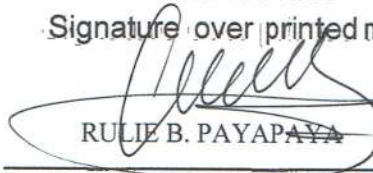
Signed in the City of Makati on the 29th of July 2021



SHANKAR PRASAD SINHA, COO

PRESIDENT

Signature over printed name



RULIE B. PAYAPAYA

AML AND CTF COMPLIANCE OFFICER

Signature over printed name

SUBSCRIBED AND SWORN to before me this 29 day of July 2021

MAKATI CITY

by the following who are all personally known to me (or whom I have identified through competent evidence of identity) and who exhibited to me their respective identification document as follows:

| | NAME | IDNO. | DATE/PLACE ISSUED |
|----|------|-------|-------------------|
| 1. | | | |
| 2. | | | |

ATTY. JOSHUA P. LAPUZ
Notary Public Makati City
Until Dec. 31, 2021
Appointment No. M-66-(2020-2021)
PTR No. 8531012 Jan. 4, 2021 / Makati
IBP Lifetime No. 04897 Roll No. 45790
MCLE Compliance No. VI-0016500
G/F Fedman Bldg. 199 Salcedo St.
Legaspi Village, Makati City

Doc. No. 179;
Page No. 25;
Book No. 21;
Series of 2021