



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

LIFE INSURANCE CORPORATION OF INDIA
'YOGAKHEMA', JEEVAN BIMA MARG, MUMBAI 400021

WHISTLE BLOWER POLICY

July 2021 (Modified Version of 2017 Policy)

"This document is the property of Life Insurance Corporation of India. This document should not be quoted or reproduced or circulated in any form or means including electronic, mechanical, photocopying or otherwise. Any unauthorized use of the document or contents of the same is strictly prohibited".

VISION OF LIC

A trans-nationally competitive financial conglomerate of significance to societies and Pride of India.

MISSION OF LIC

Ensure and enhance the quality of life of people through financial security by providing products and services of aspired attributes with competitive returns, and by rendering resources for economic development.

OBJECTIVES OF LIC

1. Spread Life Insurance widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and providing them adequate financial cover against death at a reasonable cost.
2. Maximize mobilization of people's savings by making insurance-linked savings adequately attractive.
3. Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as the community as a whole, keeping in view national priorities and obligations of attractive return.
4. Conduct business with utmost economy and with the full realization that the moneys belong to the policyholders.
5. Act as trustees of the insured public in their individual and collective capacities.
6. Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
7. Involve all people working in the Corporation to the best of their capability in furthering the interests of the insured public by providing efficient service with courtesy.
8. Promote amongst all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of Corporate Objective.

WHISTLE BLOWER POLICY

BACKGROUND

The Whistleblowers Protection Act, 2011' was passed by the Parliament on 9.5.2014. Subsequently the Ministry of Personnel Public Grievances and Pensions issued an Office Memorandum dated 16.06.2014 containing guidelines for handling complaints by CVC and also a public notice in this regard. Insurance Regulatory and Development Authority of India issued Corporate Governance Guidelines for Insurers in India vide its Circular Ref: IRDA/F&A/GDL/CG/100/05/2016 dated 18.05.2016 which envisaged that the Insurers will put in place a "Whistle Blower" Policy comprising mechanism for employees to raise concerns internally about possible irregularities, governance weaknesses, financial reporting issues or other such matters arising within the organization. Accordingly, Life Insurance Corporation of India Whistleblower Policy 2017 was put in place.

Further, in view of the amendments in Life Insurance Corporation Act, 1956 and pursuant to Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR 2015") which prescribes listed entities to establish a vigil mechanism for adequate safeguard against victimization of director(s) or employee(s) or any other person who avail the mechanism to report genuine concerns, "Whistle Blower" Policy of the Corporation is updated here as under.

The "Whistle Blower" Policy also complies with the "Whistle Blower Mechanism" as envisaged in Corporate Governance Requirements of IRDAI Guidelines 2016.

1. SHORT TITLE

The Policy may be called Life Insurance Corporation of India Whistleblower Policy 2017, as amended upto 2021.

2. PREAMBLE/PREFACE

- 2.1 The LIC believes in the conduct of the affairs (of its constituents) in a fair and transparent manner by adopting highest standards of professionalism honesty and ethical behavior.
- 2.2 The LIC is committed to developing a culture where it is safe for all stakeholders to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 2.3 The purpose of this policy is to provide a framework to promote responsible and secure whistle blowing. It protects stakeholders wishing to raise a concern about serious irregularities within the LIC.
- 2.4 The policy neither releases directors and employees from their duty of confidentiality in the course of their work nor is it a route for taking up a grievance about a personal situation.

3. **POLICY OBJECTIVE***

- 3.1 The policy is for the stakeholders as defined hereinafter.
- 3.2 The policy has been drawn up so that directors and employees can be confident about raising a concern. The areas of concern covered by this policy are summarized in Para-6.

4. **DEFINITIONS**

- 4.1 **“Corporation”** means Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act 1956.
- 4.2 **“Director”** means every Director on the Board of the Corporation as per the provisions of Life Insurance Corporation Act, 1956.
- 4.3 **“Disciplinary action”** means any action that can be taken on the completion of/during the investigation proceedings including but not limiting to a Warning, imposition of fine, or any such action as is deemed to be fit considering the gravity of the matter.
- 4.4 **“Employee”** means every whole-time (salaried) employee of the Corporation (in India) unless otherwise provided by the terms of any contract, agreement or letter of appointment.
- 4.5. **“Protected disclosure”** means a concern raised by written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity.
- 4.6 **“Stakeholder”** includes Customers of LIC, Employees of LIC, Directors of LIC; Shareholders of LIC; any agency or person deployed by LIC for any of its activities and includes any person associated with LIC.
- 4.7 **“Subject”** means a person against or in relation to whom a protected disclosure is made or evidence gathered during the course of investigation/s.
- 4.8 **“Whistle Blower”** is someone who makes a protected disclosure under this policy.
- 4.9 Chief Vigilance Officer of the Corporation shall act as **“Vigil Officer”** under this policy who shall also be the “Designated Authority” to receive information/reference under ‘Whistle Blower Policy’.

5. **GUIDING PRINCIPLES**

- 5.1. To ensure that this policy is adhered to and to assure that the concern will be acted upon seriously, the Corporation will :
 - 5.1.1 Ensure that the “Whistle Blower” and or the person processing “Protected Disclosures” is not victimized for doing so;
 - 5.1.2 Treat victimization as a serious matter including initiating disciplinary action against such person/s;
 - 5.1.3 Ensure complete confidentiality;
 - 5.1.4 Take disciplinary action against the person/s who destroys or conceals evidence of the protected disclosure made/to be made;
 - 5.1.5 Provide an opportunity of being heard to the person/s involved especially to the “Subject”;

6. COVERAGE OF POLICY

The policy covers malpractices and events which have taken place/ suspected to take place involving;

1. Abuse of authority;
2. Breach of contract;
3. Negligence causing substantial and specific danger to the Corporation and to its customers;
4. Manipulation of Corporation's record/data;
5. Financial irregularities including fraud or suspected fraud;
6. Criminal offence committed by any employee not brought to the knowledge of higher ups;
7. Pilferation of confidential/proprietary information;
8. Deliberate violation of laws/regulations;
9. Wastage/misappropriation of Corporation's funds/assets;
10. Breach of employee code of conduct/rules;
11. Any other unethical, biased, favored, imprudent event.

7. DISQUALIFICATIONS

- 7.1 While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action;
- 7.2 Protection under this policy does not mean protection from disciplinary action arising out of cause or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a malafide intention;
- 7.3 Whistle Blowers who make any protected disclosures which have been subsequently found to be malafide, frivolous or malicious shall be liable to be prosecuted under Corporation's code of conduct.
- 7.4 Grievance about a personal situation is not within the ambit of this Policy.

8. PROCEDURE FOR FILING DISCLOSURE

- 8.1 Stakeholders can make protected disclosure to Vigil Officer as soon as possible but not later than 30 consecutive days after becoming aware of the same. The Disclosure should be made in writing in a closed/sealed envelope.
- 8.2 A closed/sealed envelope, marked 'Reference/Information under LIC of India Whistleblower Policy' is to be addressed to VIGIL OFFICER on the following address:

The Chief Vigilance Officer,
Life Insurance Corporation of India,
'Yogakshema' 4th Floor, West wing,
Jeevan Bima Marg, Nariman Point,
Mumbai: 400 021.
- 8.3 Whistle Blower must put his/her name to the allegations. Concerns expressed anonymously/pseudonymously will not be investigated.
- 8.4 The details of the Reference/Information should be specific and verifiable as mentioned in Para 6 of this policy.

- 8.5 A certificate needs to be given by the Discloser stating that “It is certified that I have not made similar/identical allegation of corruption/misuse of office to any other authorities to qualify as a ‘Whistle blower informer.’. This certificate should contain the signature, name and address of the Discloser.
- 8.6 If initial enquiries by the Vigil Officer indicate that the concern has no basis or it is not a matter for investigation to be pursued under this policy it may be dismissed at this stage and the decision is documented.

9. PROCEDURE FOR HANDLING DISCLOSURES UNDER THE POLICY

Procedure for handling Disclosures under this policy is as under:

- 1) All such envelopes which are closed/secured and super-scribed with ‘Reference/Information under LIC of India Whistle Blower Policy’ will be opened by Vigil Officer only. In his absence by any other Officer as decided by Vigil Officer after issuing proper Office order in this regard;
- 2) To protect the identity of the whistle blower, Vigil Officer will not issue any acknowledgment or entertain future correspondence. Where clarification is necessary Vigil Officer will get in touch with the whistle blower.
- 3) The designated authority (Vigil Officer) shall on receipt of disclosure ascertain from the whistle blower whether he was the person who made the disclosure or not.
- 4) Vigil Officer will ensure that the identity of the whistle blower is removed from the body of the Reference/Information and the dummy copy given a number along with central registry diary number with which the original Informer/Referrer can be traced back.
- 5) The original Information/Reference would be kept under the custody of the Vigil Officer.
- 6) Vigil Officer will examine the disclosures and where necessary the facts may be got investigated by Officials at his disposal both at Central as well as Zonal Office. The disclosures of non vigilance in nature will be forwarded to the Competent Authority for further action as deemed fit.
- 7) Wherever after conducting an investigation the designated authority is of the opinion that, the facts and allegations contained in the disclosure are frivolous or vexatious or there are no sufficient grounds for proceeding further it shall close the matter.
- 8) The Investigation report will be examined by Vigil Officer and if the irregularity is of procedural nature, it will be referred to the Competent Authority for necessary action. If irregularities are of Vigilance in nature they will be referred to the Competent Authority for (i) initiating proceedings against the concerned employee however if the employee falls under the jurisdiction of CVC then before initiating action concurrence from CVC will be obtained; (ii) taking

appropriate administrative steps for redressing the loss caused to the Corporation as envisaged in CO Circular ref.: Per/ER-Discipline/Cir.No.208/2014 dated 02.08.2014, issued by Executive Director (Personnel), CO and additions/deletions made to it from time to time; (iii) for initiation of criminal proceedings i.e. filing of FIR with local policy and/or CBI as provided in aforesaid circular; (iv) recommending for taking corrective measures i.e. systemic improvements

- 9) Any person who makes any disclosure malafide and knowing that it was false and misleading will be acted upon as envisaged in CVC manual 2017 chapter 4.2.1 (f) under **“HANDLING OF COMPLAINTS RECEIVED UNDER PIDPI RESOLUTION”** by the Disciplinary Authority.
- 10) If any matter specified or any issue raised in a disclosure has been determined by a Court or Tribunal authorized to determine the issue or is subjudice there the designated authority shall not take notice of the disclosure.
- 11) Where initial enquiries indicate that further investigation is necessary, this will be carried out through Vigil Officer or an official designated by him for the purpose if the subject is up to the Sr. Divisional Manager Cadre and in case the Subject is Zonal Manager(O) and above by a committee nominated by the Vigil Officer and approved by the Chief Executive for this purpose; In case of a complaint/grievance against the Directors, the report of the findings and outcomes of investigation shall be submitted directly to the Chairman of the Board's Audit Committee.
- 12) Name of the Whistle Blower shall not be disclosed to the committee thus constituted
 - 12.1) The Vigil Officer/committee shall make a detailed written record of the “Protected disclosure” which may inter alia include facts of the matter, any previous “Protected disclosure” raised on the issue and outcome thereof, any previous “Protected disclosure” raised against the same “Subject” on another issues/matter, financial/otherwise loss incurred by the Corporation, findings of the Vigil Officer/committee in such cases and the recommendations of the Vigil Officer/committee on disciplinary/other action/s on the present issue.
- 13) The Vigil Officer shall submit/cause to submit the report to the Chairman not later than 60 days from the date of receipt of the protected disclosure;
- 14) In case the protected disclosure is proved true the Vigil Officer shall advise the appropriate authorities to initiate disciplinary action against the subject and suggest steps to prevent recurrence of the matter.
- 15) In case the protected disclosure is not proved, extinguish the matter.
- 16) In those cases where the Whistle Blower is not satisfied with the outcome of the investigation/s and decision/s he/she can make a direct appeal to the Chairman of the “Audit Committee of the Board”.

- 17) This vigil mechanism also provides for direct access to the Chairman of the “Audit Committee of the Board” in appropriate or exceptional cases. In such cases Chairman of the audit committee of the board will examine the matter and forward the same to Vigil Officer with necessary instructions, if any.

10. PROTECTION TO WHISTLE BLOWER

- 1) The Corporation shall ensure that no whistle blower who has made a disclosure under this Policy is victimized by initiation of any proceedings or otherwise merely on the ground that such complainant had made a disclosure or rendered assistance in investigation under this Policy.
- 2) Wherever the whistle blower has alleged victimization/harassment, the Vigil Officer should ensure that if the identity becomes known eventually he/she should not be harassed/ victimized by way of frequent transfers etc.
- 3) In case a whistle blower seeks protection and reports that his life is in danger, the Vigil Officer would examine the matter and send his recommendation to the Chief Executive to take up the matter with the Nodal Officers of respective States/UTs appointed by the Ministry of Home Affairs/State Governments for the purpose of providing security cover to the Whistle Blowers.
- 4) The identity of the Whistle Blower shall be kept confidential unless warranted for an evidence in the Court/disciplinary proceedings

11. IMPLEMENTATION OF THE POLICY

In order to spread awareness, the details of establishment of ‘Whistle Blower’ mechanism/policy will be displayed in intranet site of the Corporation.

LIC will authorize Vigil Officer as the “Designated Authority” to receive Information/Reference under “Whistleblower Policy”. Powers of the Vigil Officer as enlisted in **PROTECTION TO WHISTLEBLOWER:** 10 (1) to 10 (4) and under **PROCEDURE FOR FILING/HANDLING DISCLOSURES** 8 & 9 are prescribed in CVC manual 2017, chapter IV on “**PIDPI COMPLAINTS**” from 4.1 to 4.4.

12. CONFLICT OF INTEREST

- 12.1 Where a Protected Disclosure concerns any member of the Vigil team or the Board Audit Committee, that member of the Vigil team or the Board Audit Committee shall be prevented from acting in relation to that Protected Disclosure.
- 12.2 In case of doubt, Chief Executive shall be responsible for determining whether a member of the Vigil team or the Board Audit Committee must recuse himself or herself from acting in relation to a Protected Disclosure

13. SECRECY/CONFIDENTIALITY

The Whistleblower/Subject/Vigil Officer and everyone involved in the process shall
(a) maintain complete confidentiality/secretcy of the matter

- (b) not to discuss the matter in any informal/ social gatherings/meetings
- (c) keep the electronic mails/files under password;

If anyone is found not complying with the above he/she shall be held liable for such disciplinary action as deemed fit.

14. REPORTING MECHANISM

- 14.1 A quarterly review of the functioning of 'Whistle Blower Policy', steps taken so far to investigate the complaint and the status till its closure will be placed before the Audit committee of the Board.
- 14.2 The appointed actuary and the statutory/internal auditors have the duty to 'Whistle Blow' i.e. to report in a timely manner to the IRDAI/SEBI if they are aware that the Corporation has failed to take appropriate steps to rectify a matter which has a material adverse effect on its financial condition in order to enable the IRDAI/ SEBI to take prompt action before policyholders'/ shareholder's interest are undermined.

15. REVIEW OF THE POLICY

In case of any change in guidelines issued by the Regulator (IRDAI or SEBI as the case may be) before the scheduled Annual Review of the Policy, the Chief Executive will be vested with the power to amend the Policy.
