

### **Insurance firms get serious on fake agents**

In line with sector regulator's warnings, firms list variety of measures to help customers

Dealing with fraudulent agents has been one of the big issues for prospective and existing customers of insurance companies. And, insurance companies say they're active on the matter.

The Insurance Regulatory and Development Authority (Irda) has periodically issued advice on what is to be done with individuals posing as insurance agents to dupe customers of their money. Last week, it issued a warning to the public, asking it to be careful of fake entities acting as insurance companies.

The regulator wanted customers to check an entity's veracity and the insurance arrangement promised before making any payments.

In the case of a normal complaint filed with Irda, the regulator can direct it to the particular insurer. However, if a customer falls prey to fraudulent activity, where there is no fault of the actual insurer, it will be difficult for Irda to resolve.

Ashvin Parekh, partner at Ernst & Young, said, "Irda has no jurisdiction on a person who is not a licensed insurer or a broker. Hence, in case of such frauds, it's best to get in touch with the insurer and police wherever necessary."

Insurers say they're getting in at the ground level to help customers who get caught in such ploys by fake insurance entities.

Munish Sharda, director, Direct Sales Force, Aviva Life Insurance, said: "As part of our training sessions, the frontline and customer service teams have been sensitised towards this issue of fraudulent agents misleading customers and they communicate this to all customers they are interacting with on a regular basis."

He added they also regularly post updates on social networking pages, customer newsletters and the company website on this issue. • IndiaFirst Life Insurance has a mechanism in place where they have sent a list of their call centre numbers. They have set up this procedure to reduce the risk of fraud happening through fake calls, as the customer can confirm if the company has actually called. Anisha Motwani, head-marketing at Max Life Insurance, say they have a lot of such complaints, and are pro-actively working on this. "Max Life has also provided numbers and email ID's dedicated for such customer issues," she says. HDFC Life says it sensitises customers through emails and SMSes on a regular basis.

Insurers are seeing a rise in such cases and are also encouraging customers to file a police complaint. Rajiv Gupta, head-marketing at SBI Life Insurance, said they helped such customers in filing a police complaint under the section on economic offenses. "Additionally, while selling a

product, we also give them a list of Dos & Don'ts, which works as a preventive measure to avoid such circumstances in future," he said.

Reliance Life says it has a strict policy to help identify and act against such spurious callers trying to mislead customers. Anup Rau, chief executive, Reliance Life Insurance, said in the past they'd registered police cases against many such callers.

"We have been regularly alerting our customers through SMSes and emails against falling prey to any person or entity that makes superficial offers of high returns, loans, bonus or gains. We would also request customers to be cautious while dealing with such agents or callers by checking their credentials, product details and claims on the company's website or by contacting customer care," he added.

Additionally, most insurers have a risk investigation team; it helps trace back the numbers from which customers are called. According to experts, most of the numbers traced are from the northern part of India, including Noida and Delhi.

Government-owned Life Insurance Corporation, the country's largest, says it has also engaged in warning customers about these fraudulent agents, through newspapers and other channels. In the public advisory, LIC has said some people have posed as their agents. It has asked customers to not entertain calls from unverified sources and get all policy details from the official LIC website.

## **BEWARE! THAT AGENT COULD BE FAKE**

Entities under the banner of cargo carriers, couriers/logistic providers/freight forwarders/transporters are charging consideration from their clientele towards their contractual liabilities, using the terminology 'insurance'

This creates an impression that they are either insurance entities or arranging insurance on behalf of their clientele

Any individual or organisation willing to sell insurance, needs to obtain an Irda licence

Customers are usually contacted over phone and offered discounts

After a customer pays the premium, the agent vanishes with the money

Irda has no jurisdiction on a person who is not a licensed insurer or a broker

In these cases, only the police can help

Source: Irda/Insurers.

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