

Date: June 6, 2023

Place: Chennai

Ref: SHAI/B & S/SE/48/2023-24

To,
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra-Kurla Complex
Mumbai – 400051
Scrip Code: STARHEALTH

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400001.
Scrip Code: 543412

Dear Sir/ Madam,

Sub: Update on Cyber incident – Star Health & Allied Insurance Company Limited – RMC Minutes

We had made two disclosures dated December 21, 2022 and March 14, 2023 on the above subject to the Stock Exchanges.

Further, to the disclosures, we wish to state that the matter was placed, discussed including the steps taken by the Company in mitigating the risk, in the Risk Management Committee meetings of the Company held on January 31, 2023 and April 28, 2023. The certified copies of the minutes are attached for reference.

The above disclosure will also be made available on the Company's website at www.starhealth.in

Kindly take the same on record.

Thanking you,
For Star Health and Allied Insurance Company Limited,

S Venkataraman
Vice President & Compliance Officer

MINUTES OF THE MEETING OF RISK MANAGEMENT COMMITTEE (RMC MEETING No. 04/2022-23) OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED ON TUESDAY, THE JANUARY 31, 2023 AT 10:00 A.M AT No.1, NEW TANK STREET, VALLUVAR KOTTAM HIGH ROAD, NUNGAMBAKKAM, CHENNAI 600034.

Members present:

1.	Mrs. Rajni Sekhri Sibal	Chairman of the Committee & Independent Director
2.	Mr. Utpal Hemendra Sheth	Nominee Director of late Mr. Rakesh Jhunjhunwala
3.	Mr. Anand Shankar Roy	Managing Director
4.	Dr. Subbarayan Prakash	Managing Director

In attendance:

1. Mr. S Venkataraman, Vice President & Compliance Officer

Invitees:

1. Mr. Chandrashekhar Dwivedi, Appointed Actuary
2. Mr. Amarjeet Khanuja, CISO
3. Mr. Kapil Punwani, Chief Risk Officer
4. Mr. Nilesh Kambli, Chief Financial Officer
5. Mr. Aneesh Srivastava, Chief Investment Officer
6. Ms. Ushma Sheth Sule, RARE Enterprises

CHAIRPERSON OF THE MEETING

Mrs. Rajni Sekhri Sibal occupied the chair and welcomed the Directors to the meeting.

QUORUM

The chairperson declared that the requisite quorum for the meeting was present.

1. PREVIOUS MINUTES OF THE RISK MANAGEMENT COMMITTEE MEETING

The minutes of the previous meeting of the Risk Management Committee held on November 9, 2022 was confirmed.

2. ACTION TAKEN REPORT

The Action Taken Report was covered under the presentation made by the CRO.

The Committee took note of the same.



Regd & Corporate Office : 1, New Tank Street, Valluvar Kottam High Road, Nungambakkam, Chennai - 600 034.

Phone : 044 - 28288800 Telefax : 044 - 28260062

CIN : L66010TN2005PLC056649 Email: info@starhealth.in Website: www.starhealth.in IRDAI Regn. No: 129

3. DIFFERENT TYPES OF RISKS AND THEIR MITIGATION-PRESENTATION BY CHIEF RISK OFFICER.

Mr. Kapil Punwani, Chief Risk Officer (CRO) made a detailed presentation to the Committee on subject which included slides on Action Taken:-

- a. on review of Mis-selling and present action taken to mitigate,
- b. update on action taken on the employees who have not completed the AML training.
- c. Impact assessment on the action taken against fraudulent hospitals, and update on the frauds in FY22 and time taken to resolve.
- d. Frauds committed by agents to be included in agency newsletter.
- e. Implementation of suitable software for AML implementation to be achieved on or before 1st Apr'23.
- f. Update on creation of customer awareness

The Committee took on record the presentation and during the deliberations on the presentations the Committee suggested:-

- a. Mis-selling complaints may be considered over total number of policies and presented in the next Board RMC meeting.
- b. Mis-selling complaints to be co-related with the agent-wise and employee-wise ICR to analyze behavioral patterns and flagging needs to be accordingly done in the respective applications for enhanced due diligence as a proactive measure.
- c. an evaluation should be carried out at the end of the virtual training for AML and a certificate to be issued on successful completion for new attendees (Agents and Employees) and a yearly refresher course to be conducted for all existing agents.. Additionally, an Assessment to be conducted once every three years for all existing employees and agents..
- d. Sensitizing the tele-callers not to call existing customer.
- e. black-listing of the agents on resignation on account of commission of fraud.
- f. To follow up on FIR filed cases and filing of FIR shall be considered for proven fraud cases along with material evidence (Including agents and Hospitals) as a procedure as the deterrent effect would be massive and directed the company to study the Pros and Cons of filing FIR and present the same to the Committee
- g. The Committee noted the update on the Cyber incident as part of the presentation and also the mitigation steps taken. The presentation included -



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Update on the Automation and Integration from Premia to SAP, Customer Awareness initiatives taken, Enterprise-wide risk dashboard with trending analysis, key points discussed in the ERM meeting, update on fraud analysis for FY23 YTD and collaboration with IIB, update on AML KYC implementation and challenges, Zonal Risk Governance initiatives, an update on BCMS – ISMS project along with update on BCMS ISMS Internal audit and Stage 1 audit by BSI along with policy level changes recommended as part of the audits, SOP Project update, Risk Awareness week observed by the Company and update on information security initiatives and status on current projects undertaken to further strengthen information security framework.

4. ASSET LIABILITY MANAGEMENT POSITION AS ON 31ST DECEMBER 2022.

Mr. Chandrasekhar Dwivedi, Appointed Actuary presented to the Committee the Asset Liability Management position of the Company as on 31st December 2022, including scenario analysis applying duration on liabilities, and the committee noted that the same showed positive cash flow under the one year time bucket.

5. SOLVENCY POSITION OF THE COMPANY AS ON 31ST DECEMBER 2022.

The solvency statements as on December 31, 2022 was presented by Mr. Nilesh Kambli, Chief Financial Officer to the Committee.

The Committee deliberated and took note of the same.

6. PREVIOUS MINUTES OF THE OUTSOURCING COMMITTEE MEETING

The minutes of the previous meeting of the Outsourcing Committee held on 6th January 2023 was confirmed.

7. REVIEW OF POLICIES FOR IMPLEMENTAION IN FY 2023-24

The Committee was informed that following policies needs to be reviewed and recommended to the Board for approval.

- a) Anti-Money Laundering and Counter Financing Terrorism (AML & CFT) Policy
- b) Anti- Fraud Policy.
- c) Enterprise Risk Management Policy
- d) Business Continuity Policy
- e) Information Security Policy
- f) Cyber Security Policy
- g) Whistle Blower Policy
- h) Outsourcing Policy

Accordingly, the Committee reviewed the aforementioned policies of the Company and no amendments were contemplated for FY 2023-24 for AML, Anti-fraud, ERM and Cyber Security



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policy, however, changes in the Business Continuity & Information security policy were shared with the committee and approved.

The Committee deliberated and recommended to the Board to pass the following resolutions

a) **Anti-Money Laundering and Counter Financing Terrorism (AML & CFT) Policy**

“RESOLVED THAT the existing Anti-Money Laundering/ Counter Financing Terrorism Policy (Ver-4) placed before the Board be implemented for the FY 2023-24 without any modifications.”

b) **Anti- Fraud Policy**

“RESOLVED THAT the existing, Anti-Fraud Policy (Ver-2) of the Company placed before the Board be implemented for the FY 2023-24 without any modifications.”

c) **Enterprise Risk Management Policy**

“RESOLVED THAT the existing Enterprise Risk Management Policy (Ver-4) placed before the Board be implemented for the FY 2023-24 without any modifications.”

d) **Business Continuity Policy**

“RESOLVED THAT the existing Business Continuity Policy (Ver-1) placed before the Board be implemented for the FY 2023-24 with certain modifications recommended as part of the stage 1 audit and list of modifications are included as part of the Board risk management committee presentation”

e) **Information Security Policy**

“RESOLVED THAT the existing Information Security Policy (Ver-2.3) placed before the Board be implemented for the FY 2023-24 with certain modifications recommended as part of the stage 1 audit and list of modifications are included as part of the Board risk management committee presentation.”

f) **Cyber Security Policy**

“RESOLVED THAT the existing Cyber Security Policy (Ver-1.0) placed before the Board be implemented for the FY 2023-24 without any modifications.”

Further the Committee reviewed the revised Whistle Blower Policy (Ver-3.0) and Outsourcing Policy (Ver-3.0) and recommended the Board to pass the following resolution:

g) **Whistle Blower Policy**

“RESOLVED THAT the revised Whistle Blower Policy (Ver-3.0) placed before the Board be implemented for the FY 2023-24.”



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h) Outsourcing Policy

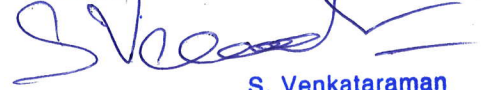
“RESOLVED THAT the revised Outsourcing Policy (Ver-3.0) placed before the Board be implemented for the FY 2023-24.”

There being no other item the meeting concluded with vote of thanks to the Chair.

Time of Commencement of the meeting	10:00 A.M
Time of Conclusion of the meeting	11.15 A.M
Date	31st January 2023.

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For Star Health and Allied Insurance Co. Ltd.



S. Venkataraman
Vice President - Compliance Officer

MINUTES OF THE MEETING OF RISK MANAGEMENT COMMITTEE (RMC MEETING No. 01/2023-24) OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED ON FRIDAY, THE 28TH DAY OF APRIL ,2023 AT 09:45 A.M AT No.1, NEW TANK STREET, VALLUVAR KOTTAM HIGH ROAD, NUNGAMBAKKAM, CHENNAI 600034.

Members present:

1.	Mrs. Rajni Sekhri Sibal	Chairman of the Committee & Independent Director
2.	Mr. Utpal Hemendra Sheth	Nominee Director of late Mr.Rakesh Jhunjhunwala
3.	Mr. Anand Shankar Roy	Managing Director
4.	Dr. Subbarayan Prakash	Managing Director

In attendance:

1. Mr. S Venkataraman, Vice President & Compliance Officer

Invitees:

1. Mr. Chandrashekhar Dwivedi, Appointed Actuary
2. Mr. Amarjeet Khanuja ,CISO
3. Mr. Kapil Punwani, Chief Risk Officer
4. Mr. Nilesh Kambli, Chief Financial Officer
5. Mr. Aneesh Srivastava, Chief Investment Officer
6. Ms. Ushma Sheth Sule, RARE Enterprises

CHAIRPERSON OF THE MEETING

Mrs. Rajni Sekhri Sibal occupied the chair and welcomed the Directors to the meeting.

QUORUM

The chairperson declared that the requisite quorum for the meeting was present.

1. PREVIOUS MINUTES OF THE RISK MANAGEMENT COMMITTEE MEETING

The minutes of the previous meeting of the Risk Management Committee held on January 31, 2023 was confirmed.

2. ACTION TAKEN REPORT

An Action Taken Report on the recommendations of the Risk Management Committee in the meeting held on January 31 2023 was covered as part of the presentation made by the Chief Risk Officer.

The Committee took note of the same.



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3. DIFFERENT TYPES OF RISKS AND THEIR MITIGATION-PRESENTATION BY CHIEF RISK OFFICER.

Mr. Kapil Punwani, Chief Risk Officer (CRO) made a detailed presentation to the Committee. The Presentation covered:

- a. Action Taken Report on the decisions taken in the previous RMC meetings.
- b. Update on Investment SAP implementation
- c. Advisory and guiding principles on tele-calling guidelines
- d. Summarized Risk Dashboard
- e. Blacklisted agents working with star where the Committee advised that an affidavit could be obtained from them.
- f. Risk Process reviews where the committee suggested apart from watermarking QR code could be included
- g. Market and credit risk overview where the CIO explained in detail
- h. Update on Fraud Risk Mitigation - The Committee suggested to include the trends in fraud incidents, that may show whether the fraud trends are improving / worsening. With respect to filing of FIR, the vigilance team at Corporate Office may take it up instead of leaving it with the Zonal officer or other officials.
- i. Implementation of AML related activities – on the KYC compliance for existing customers, the Committee suggested the Company to take it as a priority and explore to complete the same by Dec 2023 even though the Regulator had provided two years' time from 1st Jan 2023.
- j. The Committee also suggested to use the KYC data of new and existing customers and explore the best possible use of this data in future. (demonstration by team from director's side). Risk, IT & Analytics to jointly work on this project along with guidance from the Board RMC.
- k. The Committee suggested that a Workflow management system be implemented for Standard Operating Procedures developed for all functions so that the critical milestones may be systemically tracked and monitored.
- l. The CISO provided a detailed analysis of the Cyber incidents as part of the presentation and also updated the committee on the mitigation steps taken by the company.

3. ASSET LIABILITY MANAGEMENT POSITION AS ON 31ST MARCH 2023.

Mr. Chandrasekhar Dwivedi, Appointed Actuary presented to the Committee the Asset Liability Management position of the Company as on 31st March 2023.



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The Committee took note of the same.

4. SOLVENCY POSITION OF THE COMPANY AS ON 31ST MARCH 2023.

The solvency statements as on March 31, 2023 was presented by Mr. Nilesh Kambli, Chief Financial Officer to the Committee.

The Committee deliberated and took note of the same.

5. PREVIOUS MINUTES OF THE OUTSOURCING COMMITTEE MEETING

The minutes of the previous meeting of the Outsourcing Committee held on 13th March 2023 was confirmed. The Committee directed the management to place an analysis of the expenses for the past 10 year period for tele sales as well as manpower provision giving per person cost providing insights as to how the outsourcing had benefitted the company and how best the facility would be used in the future.

6. REVIEW OF POLICY FOR ANTI-MONEY LAUNDERING / COUNTER FINANCING TERRORISM (AML - CFT) IMPLEMENTAION IN FY 2023-24

A note on the certain modifications to the Review of Policy for Anti-Money Laundering / Counter Financing Terrorism (AML - CFT) was placed before the Board. The Committee was informed that the amendments made in the policy were in alignment with the Prevention of Money Laundering (Maintenance of Records) Amendment rules, 2023, issued by Ministry of Finance.

After deliberations the Committee recommended to the Board deliberated for passing the following resolution.

“RESOLVED THAT the revised Policy Anti-Money Laundering / Counter Financing Terrorism (AML -CFT) Policy (Ver.2) duly initialled by the Company Secretary for identification, recommended by the Risk Management Committee and placed before the Board.”

There being no other item the meeting concluded with vote of thanks to the Chair.

Time of Commencement of the meeting	: 09:45 A.M
Time of Conclusion of the meeting	: 10.45 A.M
Date	: 28th April 2023

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For Star Health and Allied Insurance Co. Ltd.



S. Venkataraman
Vice President - Compliance Officer

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