

When standard age proofs like the above are not available, the life insurer may allow submission of a non-standard age proof. Some documents considered as non-standard age proofs are:

- I. Horoscope
- II. Ration card
- III. An affidavit by way of self-declaration
- IV. Certificate from village panchayat

7. Anti-Money Laundering (AML)

Money laundering is the process of bringing illegal money into an economy by hiding its illegal origin so that it appears to be legally acquired. The Government of India launched the PMLA, 2002 to rein in money-laundering activities.

The Prevention of Money Laundering Act (PMLA), 2002 came into effect from 2005 to control money laundering activities and to provide for confiscation of property derived from money-laundering. It mentions money laundering as an offense which is punishable by rigorous imprisonment from three to seven years and fine up to Rs. 5 lakhs.

Each insurer is required to have an AML policy and accordingly file a copy with IRDAI. The AML program should include:

- i. Internal policies, procedures and controls
- ii. Appointment of a principal compliance officer
- iii. Recruitment and training of agents on AML measures
- iv. Internal audit/control

8. Know Your Customer (KYC)

Know your customer is the process used by a business to verify the identity of their clients. Banks and insurers are increasingly demanding their customers provide detailed information to prevent identity theft, financial fraud and money laundering.

The objective of KYC guidelines is to prevent financial institutions from being used by criminal elements for money laundering activities.

Insurers, hence, need to determine the true identity of their customers. Agents should ensure that proposers submit the proposal form along with the following as part of the KYC procedure:

1. Photographs
2. Age proof
3. Proof of address - driving license, passport, telephone bill, electricity bill, bank passbook etc.
4. Proof of identity - driving license, passport, voter ID card, PAN card, etc.
5. Income proof documents in case of high-value transactions