

Fraud Risk Management Training for Appointed Producers



Life's brighter under the sun



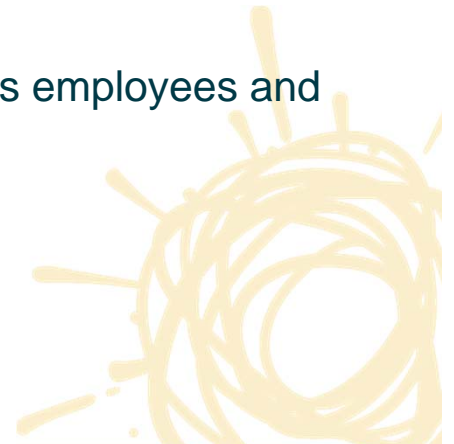
SLF U.S. Fraud Risk Management Program

What is fraud?

Fraud is any dishonest act or omission intended to deceive or mislead for personal or corporate gain, and to cause another to suffer damages. At Sun Life there are many types of fraud that can affect our business, including:

- Claims Fraud;
- Underwriting Fraud;
- Commission Fraud;
- Identity Theft; and
- Accounting Fraud

Fraud may be perpetrated by people associated with Sun Life, such as employees and advisors, or by third parties, such as vendors or customers.

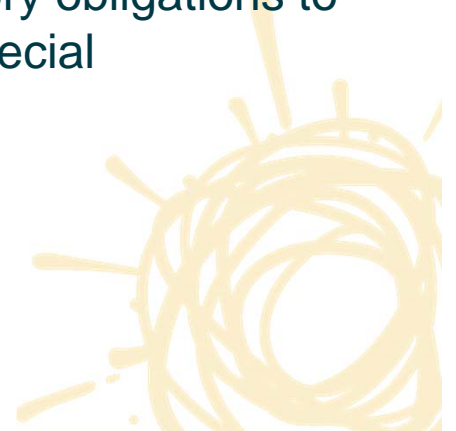


SLF U.S. Fraud Risk Management Program

Why does SLF U.S. need a Fraud Risk Management Program?

All fraud has a serious impact upon our business. Fraud causes Sun Life to suffer both monetary and reputational damage and it is therefore critical that we maintain an anti-fraud program capable of identifying and mitigating fraud.

The SLF U.S. Fraud Risk Management Program, which includes the recognition and assessment of fraud risk, the establishment of controls, and regular monitoring and reporting, helps assure our customers and other stakeholders that SLF U.S. will safeguard their personal and business information and assets. It also enables us to meet regulatory obligations to establish fraud controls including the establishment of a Special Investigations Unit.



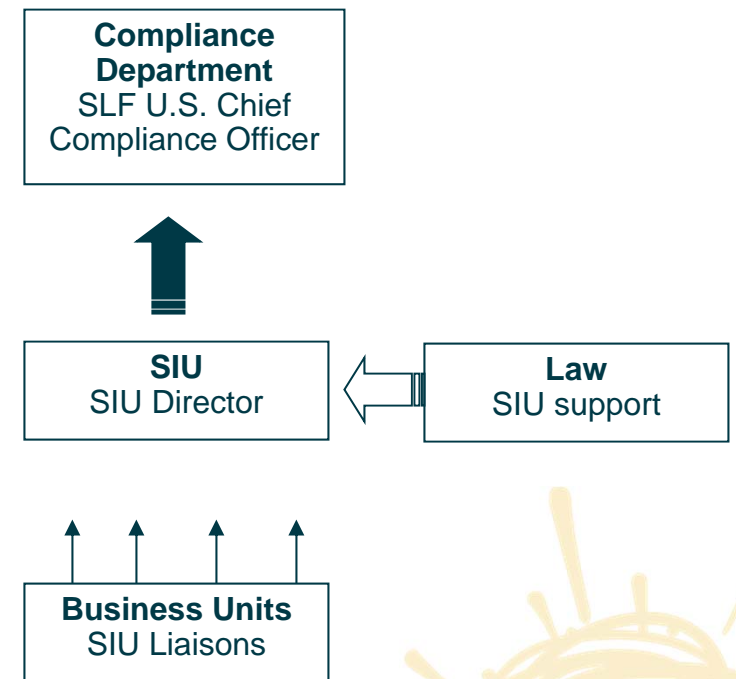
SLF U.S. Fraud Risk Management Program

SLF U.S. Special Investigations Unit (SIU)

What is the Function and Purpose of the SIU?

- The SLF U.S. SIU is responsible for:
 1. the oversight of the investigation of cases of suspected fraudulent activity involving our business;
 2. ensuring that suspected frauds are appropriately reported, both internally and to applicable regulatory and law enforcement authorities; and
 3. working with SLF U.S. management to implement an effective fraud risk management program.

Fraud Organization



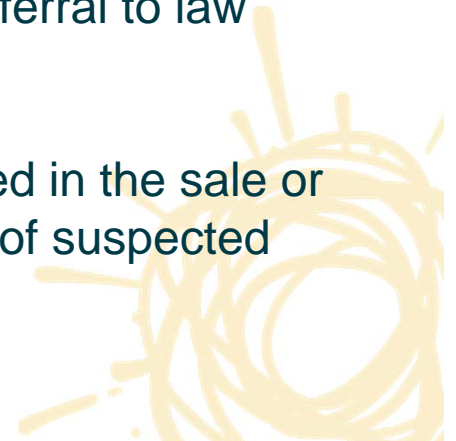
Reporting Suspicious Activity

Why do I need to report suspicious activity?

In order for SLF U.S. to effectively manage fraud risk, the SIU needs to be aware of fraud incidents. The information you provide not only allows for immediate action to be taken on a suspicious transaction, it also allows for a larger analysis of the risks within our business.

In addition, several states have regulatory fraud reporting requirements. Once a reasonable determination has been made that a fraud has been or is being committed the SIU works with the SLF U.S. Law Department to comply with applicable state reporting rules. This allows regulatory authorities to take appropriate action, which may include referral to law enforcement authorities for prosecution.

For these reasons it is imperative that all individuals involved in the sale or administration of our business identify and report incidents of suspected fraud to the SIU.

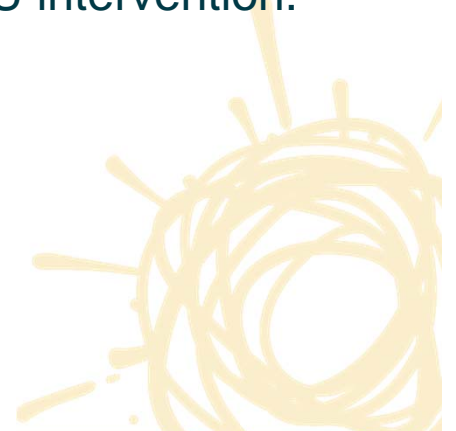


Reporting Suspicious Activity

How do I identify suspicious activity?

Everyone should be familiar with fraud “red flags” applicable to their daily responsibilities. Red flags can be any out-of-the-ordinary activity that causes you to question the motives behind a claim, payment or other transaction. Red flags can occur as a single incident or can be seen over a series of events as a pattern or trend. The following slides contain examples of common red flags that are applicable to our business.

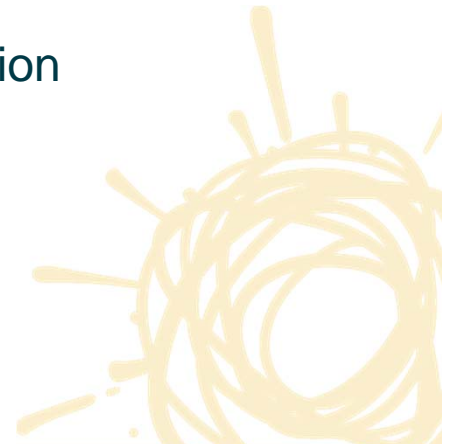
You should be familiar with the red flags applicable to your role within our organization and should use these red flags along with your experience and judgment to identify suspicious activity that may warrant SIU intervention.



Reporting Suspicious Activity

Fraud Red Flags – Documentation

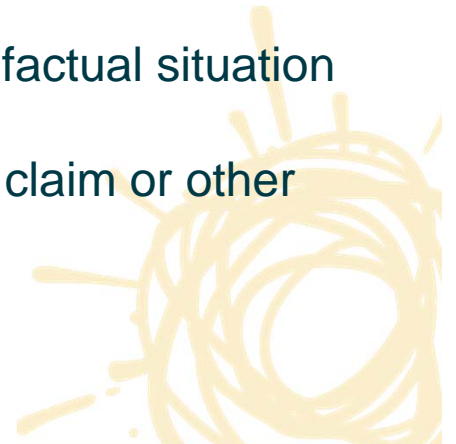
- Application, claim or other paperwork appears to be altered, forged or counterfeited
- An overabundance of documentation is provided before it is requested
- Documentation is written in different fonts or contains formatting variations
- Forms are incomplete or missing pertinent information, such as social security numbers or medical information
- Information provided is inconsistent with other documentation
- Documentation contains unrealistic dates



Reporting Suspicious Activity

Fraud Red Flags – Customer Behavior

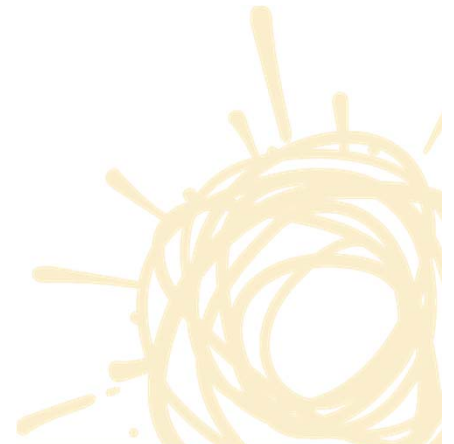
- Customer is uncooperative or exceptionally vague
- Customer is unwilling to provide authorization for the release of information
- Customer is extremely aggressive or threatens to contact an attorney if their request is not granted
- Customer is well versed in insurance or medical terminology and/or procedure
- Customer appears to exaggerate the extent of an injury or factual situation
- Customer makes frequent telephone inquiries for status of claim or other transaction



Reporting Suspicious Activity

Fraud Red Flags – Events and Circumstances

- Customer is difficult to reach or appears to “screen” calls
- Customer uses P.O. Box as home address or address is changed frequently
- Customer insists that we communicate through a third party or submits third party checks for premium
- Customer files a claim shortly after coverage is effective
- Group demographics do not appear reasonable or rational
- Customer engages in an unusual pattern of transactions

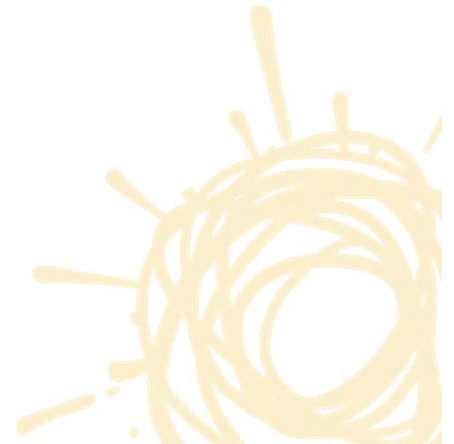


Reporting Suspicious Activity

How do I report suspicious activity?

Anyone can report suspicions of fraud in either of two ways:

- First, you can contact the SIU directly via e-mail at USFraud@sunlife.com.
- Second, for those who wish to report suspicious activity involving Sun Life anonymously, you can call the Sun Life Employee Ethics Hotline. The Hotline is staffed by a third party and is designed to maintain the confidentiality of the caller. You can call the Hotline 7 days a week, 24 hours a day at 1-800-481-6966.



Questions?

Questions concerning the responsibilities of the SLF U.S. fraud risk management program or your role in managing fraud risk can be addressed to Paul Finnegan, Fraud Reporting Officer, at (781) 446-6794, paul.finnegan@sunlife.com.

