

AML "RED FLAG" CHECKLIST

The Company is required by federal law to file Suspicious Activity Reports (SAR's) with the U. S. Treasury Department, and our agents and employees should be alert for and are responsible for identifying and reporting suspicious activity ("Red Flags") during the sales process, new business submission process, and the underwriting process. Also, following the issuance of a "covered policy" (cash value life, annuity, or deposit fund) agents and employees should continue to be alert for suspicious customer service or policy benefit transactions that could be an indicator of money laundering activity. If suspicious activity of any type, mentioned below or otherwise, is noticed, you should immediately report it to your department manager, supervisor, or branch/agency manager, who will report it to the AML Compliance Officer for further investigation. **Under no circumstances should an agent or employee indicate to a customer that they could be monitored for suspicious activity or that a SAR may be filed. The fact that a SAR has been filed or considered, or the nature of any SAR, is strictly confidential.**

THE ITEMS BELOW HAVE BEEN BROUGHT TO THE ATTENTION OF THE FOLLOWING DEPARTMENT / AGENCY:

Date _____ Policy No. _____ Insured Name _____ Owner Name _____

- ☐ The customer exhibits unusual concern about the Company's compliance with Government reporting requirements or its AML policies, particularly with respect to his or her identity, type of business or assets, or is reluctant or refuses to reveal information, or furnishes unusual or suspect personal identification or business documents.
- ☐ The customer wishes to purchase a covered product that appears to be inconsistent with that customer's needs, or stated business or financial objectives.
- ☐ The total amount of a payment or deposit is \$5,000 or more (in lump sum or in the aggregate) and the customer attempts to use cash, a third-party check, or "Structured" payments (where the customer uses several small cash equivalents, such as money orders, traveler's checks or cashier's checks, in amounts just below suspicious activity reporting threshold), or asks for an exemption from any Company policy regarding the payment of cash or cash equivalents; or requests that a transaction be processed in such a manner to avoid reporting.
- ☐ The customer provided false, misleading or substantially incorrect information concerning source of funds, or refuses to identify or fails to indicate a legitimate source of funds.
- ☐ The customer exhibits a lack of concern regarding the costs associated with the purchase of a covered product, but shows much concern about early termination features (free look period), or withdrawal or loan features.
- ☐ The customer has made a premium payment or deposit of \$5,000 or more (in a lump sum or in the aggregate), followed (within 90 days) by a request to cancel, surrender, withdraw, or make a maximum loan, and/or transfer the proceeds, with no apparent personal or business purpose; or where a disbursement is accompanied by an address change or requested to be made to an unrelated third party.
- ☐ The business involves non-U.S. persons, foreign bank accounts, governments or government officials, or jurisdictions subject to OFAC sanctions (currently, the Balkans, Burma, Ivory Coast, Cuba, Iran, Iraq, Liberia, Libya, North Korea, Sudan, Syria and Zimbabwe).
- ☐ An unusual Social Security number, Social Insurance or IRD number, or taxpayer identification number was provided (e.g., 000-00-0000, 123-45-6789, 999-99-9999).
- ☐ The customer has purchased multiple policies where the insured differs on each of the policies and there appears to be no legitimate personal or business reason; or maintains multiple policies under a single name.
- ☐ The policy has experienced an inflow of funds well beyond the known income or resources of the customer.
- ☐ Policy activity indicates large or frequent wire transfers of \$5,000 or more (in a lump sum or in the aggregate), immediately or shortly thereafter withdrawn (within 90 days of receipt) with no apparent business or other purpose; or where the customer requests the proceeds be wire transferred to unrelated third parties or to a foreign bank account in a country other than the customer's country of residence.

Comments:

Name: _____ Phone/Ext.: _____ Branch/Agency/Dept. _____

Please send this Checklist and all pertinent documentation to your Department or Agency Management.