

AML/CTF Controls in Insurance: Front Line Awareness

29 September 2021



INTRODUCTION

- Building Risk Awareness Culture
- Adequate CDD Requirements
- Role Specific Training

RISK AWARENESS- NON-COMPLIANCE RISK



Convention on the
Suppression of Terrorist
Financing Act (CSTFA),
No. 25 of 2005



Prevention of Money
Laundering Act (PMLA),
No. 5 of 2006
(Amended by Act No. 40 of
2011)



Financial Transactions
Reporting Act (FTRA),
No. 6 of 2006

TECHNICAL COMPLIANCE IN INSURANCE INDUSTRY

Guidelines on Anti Money Laundering program for Insurers/Brokers –
November 2006 issued by Regulator



Internal policies,
procedures, and
controls



Know Your Customer
and Risk Profile of the
Customer



Products to be
covered



Suspicious
Transactions



Reporting of Suspicious
Transactions and Cash
Transactions



Record Keeping



Appointment of
Principal
Compliance Officer



Recruitment and
Training of
employees/agents

BUILDING RISK AWARENESS CULTURE

- Annual Training/Ongoing Training with regular Updates and changes
- Ensure Data Accuracy across all business channels
- Regular Audits which will have an impact on the annual appraisal rating

ADEQUATE CDD REQUIREMENTS

- At Proposal stage
- At Underwriting or Endorsement stage
- At Claim payout stage

Guidelines for Non-Face-to-Face Customer Identification and Verification

Using Electronic Interface Provided by the Department for Registration of Persons, No. 3 of 2020. Initial Customer verification Methods to verify customer identity.

Permitted	Not Permitted
Electronic Forms	Agents Information
Mobile App	Reliance on third party information
Video	Designated non-finance business to collect information
Conferencing	
Secure Email	
KIOSKs/ATMs/CD Ms	
Registered Post	

ROLE SPECIFIC TRAINING

01. New employees:

A general appreciation of the background to money laundering, and the subsequent need for identifying and reporting of any suspicious transactions to the appropriate designated point should be provided.

02. Sales/ Advisory Staff:

Members of staff who are dealing directly with the public (whether as members of staff or agents) are the first point of contact with potential money launderers and their efforts are therefore vital to the strategy in the fight against money laundering. It is vital that “front-line” staff is made aware of the insurance institution’s policy for dealing with non-regular customers particularly where large transactions are involved, and the need for extra vigilance in these cases.

ROLE SPECIFIC TRAINING

03. Processing staff:

Those members of staff who receive completed proposals and cheques for payment of the single premium contribution must receive appropriate training in the processing and verification procedures.
Eg: Underwriters / Accountants

04. Administration/Operations supervisors and managers:

A higher level of instruction covering all aspects of money laundering procedures should be provided to those with the responsibility for supervising or managing staff.

05. Ongoing training:

It will also be necessary to make arrangements for refresher training at regular intervals to ensure that staff does not forget their responsibilities. This might be best achieved by a twelve or six-monthly review of training. Timing and content of training packages for various sectors of staff will need to be adapted by individual insurance institutions for their own needs.

THANK YOU

