

# MARKETING BULLETIN

Bulletin No. MB06-20	Release Date: May 3, 2006	Retain Until: Permanently	Distribution: #MB
Subject: REVISED Anti-Money Laundering Program			

1. **Purpose.** The Purpose of this bulletin is to outline various producer requirements associated with the Department of Treasury Rule regarding Anti-Money Laundering Programs for Insurance Companies.
2. **Effective Date.** Immediately
3. **Background.** As an insurance producer, your skills and services help your clients achieve financial success and security. To comply with new federal anti-money laundering regulations for insurance companies, AIG American General has adopted a detailed anti-money laundering program. You have an important role to play in that program. As a person who deals directly with customers, you will often be in a critical position to obtain information on the customer, source of funds for the products you sell, and the customer's reasons for purchasing an insurance product.
4. **Requirements.** The Anti-Money Laundering Rules for Insurance Companies have the following 4 specific requirements, which have been or will be implemented.
  - a) Develop and implement policies, procedures, and internal controls
    - Business Policy – 0315 Anti-Money Laundering Policy
  - b) Designate a Compliance Officer responsible for developing, implementing, & monitoring the AML program
    - AIG American General's Chief Compliance Officer has been designated as the AML Compliance Officer
  - c) Provide ongoing training for "appropriate persons"
    - AML Training Course provided online as "web-based" training
  - d) Provide for independent testing to monitor and maintain an adequate program
    - Internal Audit
5. **Training.** AIG American General has selected LIMRA to provide web-based training for all producers and employees. Instructions to access and complete the required training course will be provided as soon as the program is ready to roll-out. You will be provided ample time to complete the course.



6. **New Business Submission.** In order to sell individual life insurance or annuities, the Company's anti-money laundering program requires you to ensure that all information requested on the application and associated documents is accurate and complete. This includes full name, address, date and place of birth, social security number, and driver's license number.
7. **Unacceptable Forms of Payment.** The following payment types are unacceptable for the initial premium payment:
  - Travelers Check
  - Third Party Checks from an unrelated (NOT Owner, Payor, or Insured) party
8. **Suspicious Activity.** Following is a list (not intended to be all-inclusive) of "Red Flags" you should keep in mind as you meet with clients:
  - Customer shows little or no concern for the investment performance of the product, but a great deal of interest about the early termination features and seems to be knowledgeable about early surrender, loans, withdrawals, and free look periods
  - Customer is reluctant to provide identifying information when purchasing the product, provides minimal or seemingly fictitious information
  - Customer does not want to meet agent at residence or place of employment or who wants to meet during odd hours
  - Customer pays initial premium with checks or wire transfers from the account of an unrelated (NOT the Owner, Payor, or Insured) third party
  - Customer applies for policy from a distant location when comparable coverage can be obtained closer to home
  - Customer accepts unfavorable underwriting conditions for his age or health
  - Customer does not ask how much the product will cost, does not want to compare products based upon cost/benefit ratio and may offer to pay higher premium for speed and other accommodations
  - Customer presents unusual or suspect personal or business identification documents
  - Customer questions whether government report will be filed based upon transaction
  - Customer has criminal record or is publicly associated with known felons
  - Customer asks for details about or exception to policies/procedures that deter money laundering
  - Applicant buy policies from several insurers in a short period of time

If you notice, or are concerned about, suspicious activity with a customer of AIG American General, you should take the following steps:

- Contact Dorothy Pendergrast, Compliance Officer at Mail Code 530S, (615) 749-1557; or
  - Report your suspicions to the AIG American General AML Compliance Officer via email at [AIGAG\\_Compliance@aigag.com](mailto:AIGAG_Compliance@aigag.com)
9. **Necessary Action.** The General Manager and or Service Group Manager is responsible for: Reviewing the contents of this announcement with All Local Office/Service Group Personnel.



10. **Questions regarding this bulletin.** Should be directed to Dorothy Pendergrast, Compliance Officer at Mail Code 530S, (615) 749-1557 or Neil Nevins, Compliance Administrator, Sr. at Mail Code 560S, (615) 749-1675.

11. **Filing Instructions.** File this announcement in a three-ring binder.

# **Distribution:**

#MB HO & LO (includes Service Groups)

Intranet



**American General Life and Accident Insurance Company**

American General Center • Nashville, TN 37250-0001

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