



## Producers Guide to Anti-Money Laundering

As an insurance producer, your skills and services help your clients achieve financial success and security. Because you are on the front lines of a multi-billion dollar industry, you are in a unique position not only to serve your clients, but also to serve the country by helping prevent money laundering and the financing of terrorist activities.

To comply with new federal anti-money laundering regulations for insurance companies, SBLI 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 regarding the customer, the customer's source of funds for the products you sell, and the customer's reasons for purchasing an insurance product.

### The SBLI anti-money laundering program applies to only:

1. Our annuities and life insurance products with cash surrender and loan value or
2. Transactions that involve or an aggregate of at least \$5,000 in funds (in any form) or other assets.

Remember, it is against SBLI's policy to accept cash payments or cash equivalents, over \$3,000. Cash equivalents include money orders and travelers checks.

In order to sell individual annuities and life insurance, the company's anti-money laundering program requires you to ensure that all information requested on the product application and associated documents is accurate and complete.

Records of this information must be retained as long as the contract remains in force and for five years thereafter.

When a potential money laundering transaction has been identified, collect all paperwork and complete a [Compliance Incident Report \(SA-3\)](#). Compliance Incident Reports are available as a link in this [Compliance Section](#) of SBLIagent.com. Within 24 hours of the incident occurring, forward the Compliance Incident Report along with all background information to the Anti-Money Laundering Compliance Officer at [compliancereport@sbli.com](mailto:compliancereport@sbli.com).

### Red Flags for Producers

1. Customers who apply for a life insurance policy or annuity that appears to be inconsistent with their needs and has no obvious purpose.
2. Customers who apply for a life insurance policy or annuity that appears to exceed their known income or liquid net worth.
3. Customers who make payments with a large amount of cash or numerous cash equivalents such as money orders, third party checks or travelers checks for a total amount of \$3,000 or more.
4. Customers who desire to make a payment of a large amount which is broken into small amounts.
5. Customers who have little or no concern for the investment performance of an annuity or life insurance product, but are much concerned about the early termination features of the product.
6. Customers who refuse or appear reluctant to provide identifying information, or who provide information that seems inconsistent or fictitious.
7. Customers who provide a cellular telephone number as a home telephone number or a telephone number that has been disconnected.
8. Customers who apply for multiple life insurance policies or annuity contracts in the same or different names.
9. Customers who resist our company's payment terms or request methods of payment or financial terms or other departures from policy.
10. Customers who pay with checks or wire transfers from an account of an unrelated third party or from multiple accounts.

11. Customers who make wire transfers to or from offshore banks, nonbank financial institutions, or other financial intermediaries.
12. Customers who make wire transfers to or from originators, beneficiaries, or banks in jurisdictions that pose a high risk of money laundering, terrorist financing or official corruption.
13. Customers who make wire transfers to or from a foreign bank or a geographic location that does not make sense for them.
14. Customers who make wire transfers when the individual ordering the wire is or the beneficiary is stated as "our good customer," "our valued customer" or "our customer".
15. Other instances where there appears to be no apparent relationship between the owner or insured or annuitant and the beneficiary.
16. Any other activity which you think is suspicious.

Advise customers that only the following types of payment may be accepted:

- Checks drawn on the customer's own Demand Deposit Account.
- Teller's check withdrawn from the customer's own account.
- Electronic Funds Transfers made from the customer's own account.
- Wire Transfers made from the customer's own account in a United States bank.
- Rollovers made from the customer's Employer Sponsored Retirement Plan.
- Transfers or Rollovers made from the customer's Individual Retirement Plan.
- Premiums paid with cash or cash equivalents (money orders, third party checks or travelers checks), if the total is less than \$3,000.

Please check the [compliance page](#) on our website, [www.SBLIagent.com](http://www.SBLIagent.com), for the most current list of acceptable forms of payment.

If a customer provides a form of payment that is not permitted, it should be returned immediately.

Current information on SBLI's Anti-Money Laundering Training Program will be available on [SBLIagent.com](http://SBLIagent.com).

If you have questions, please contact Brokerage at 888-224-7254.

The company and its producers share an important responsibility to comply with the company's program and all applicable anti-money laundering laws. A failure to do so will constitute grounds for discipline up to and including termination. In addition, violation of anti-money laundering laws may expose those responsible to substantial penalties under federal law.