The impact of the new AML/CTF indicators on the insurance industry

Information session for Management, February 24, 2016 Auditorium CBCS Mr. Aichel Magdalena Chairman



#### "We are committed to ensure compliance with legislation and regulatory requirements"

#### Key indicators of the Life Insurance industry

14 Licensed Life Insurance Company

60 Licensed Life Insurance Broker

#### High risk insurance products

Endowment insurance

Unit linked products

#### **Objective indicators**

## FORMER AML / CTF INDICATORS

**Subjective indicators** 

Combination of objective and subjective indicators

# Disadvantage of the former objective indicators

"they <u>have</u> to be reported even if the reporting entities do <u>not</u> suspect or have reasonable grounds to suspect that funds are the proceeds of a criminal activity, and /or are related to Money Laundering or Terrorism Financing".

(CFATF, 2011 Curaçao Evaluation Report)



## New AML / CTF INDICATORS



#### Four objective indicators

#### **One subjective indicator**

#### Four objective indicators

Changed

Transaction reported to police or prosecutor Intended transaction by person/entity on Sanction list

Authonized Signature / New manater

Cash transaction of NAf. 20.000 or more Wire transfer (to local or international account) of NAf. 500.000 or more

new

## One subjective indicator

Authorized Signature / Immerson

Suspicion of money laundering and/or terrorism financing

# Impact1on the1insurance2industry2

Reduction of threshold for reporting cash transaction

#### Introduction of reporting of wire transfers of NAf. 500.000 or more

# Reduction of threshold for reporting cash transaction notes

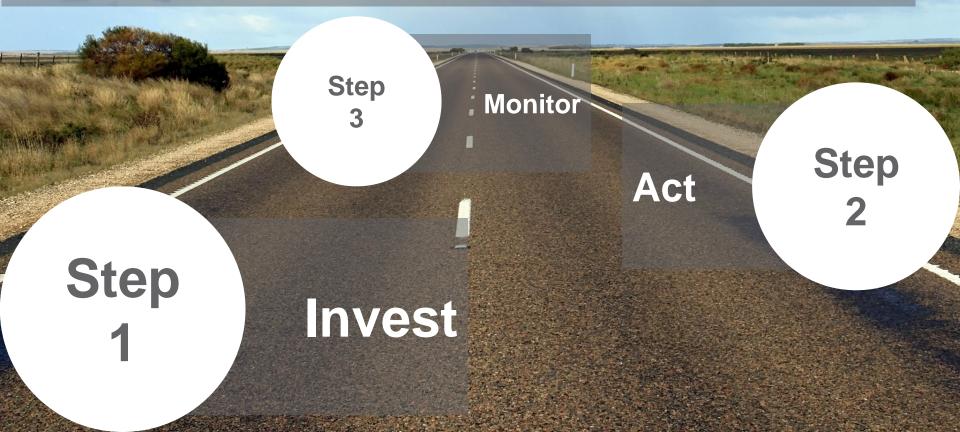
"cash payment is no longer considered the same as a cheque payment" "Former thresholds: NAf. 100.000 (premium payment) and NAf. 50.000 (outpayment)"

New threshold: NAf. 20.000

## Conclusion

This new reporting requirement needs to be embedded in the operations

#### How to proceed



Adjust systems to incorporate the new objective indicators

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Red flags: ongoing recognition and definition

Continuous trainings and awareness sessions for staff and brokers





## Monitor

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#### Transaction Monitoring continues to be a must!

#### **Although** worldwide a limited number of incidents are reported to the FIU by the life insurance industry:

#### "We are committed to ensure compliance with legislation and regulatory requirements"

