Subject: 0315 Global Money Laundering Prevention Policy

Policy Number: 0315

CORPORATE POLICY & PROCEDURES:

The Corporate policy against money laundering is available at http://livpwsb13.aig.com/cfcompliance/AIG%20Interim%20Anti-Money%20Laundering%20Policy.pdf. It includes:

- Background
- Key concepts
  - Money laundering
  - Terrorist financing
- Basic program requirements
  - Client identification and verification
  - Due diligence and enhanced due diligence
  - Transaction monitoring
  - Reporting
  - Terminating a relationship
  - Government requests for information
- Record-keeping
- Monitoring and auditing
- Training
- Business unit role and penalties

QUESTIONS may be referred to your business unit chief compliance officer.

DOMESTIC LIFE COMPANIES POLICY & PROCEDURES:

PURPOSE. The purpose of this business policy is to set forth policies and procedures designed to:

- Comply with the anti-money-laundering rules for insurance companies;
- Comply with the Bank Secrecy Act; and
- Prevent or detect illegal activity and rule violations pertaining to money laundering, and facilitate a quick, effective response to such activity.

EFFECTIVE. This policy has been in effect since May 2, 2006.

DEFINITIONS.

**Money Laundering.** Money laundering is defined under federal law to mean the movement of illicit cash or cash equivalent proceeds into, out of, or through the United States or its financial institutions.

**Financial Institution.** The term "financial institution" includes insurance companies.

**Illicit.** "Illicit" encompasses virtually any federal or state felony as well as numerous crimes such as wire, mail, and securities fraud.

BACKGROUND.

**Patriot Act.** In 2001 the president signed into law the USA Patriot Act (International Money
Laundering Abatement and Anti-terrorist Financing Act of 2001) that requires financial institutions, including insurance companies, to establish and implement compliance programs regarding money laundering. These programs should be designed to ensure ongoing compliance with the requirements of the Bank Secrecy Act and the regulations promulgated thereunder.

Agency Rule. The Department of the Treasury delegated to the Director of the Financial Crimes Enforcement Network (the “Agency”) the creation and implementation of the applicable rule (the “Rule”) for insurance companies. The Agency issued the Rule effective December 5, 2005, which requires an insurance company offering covered products (as defined by the Rule) to develop and implement by May 2, 2006, a written anti-money-laundering program applicable to its covered products. For purposes of the Rule, covered products include a permanent life insurance policy (other than a group life insurance policy), an annuity contract (other than a group annuity), and any other insurance product with features of cash value or investment. The program must be reasonably designed to prevent the insurer’s facilitation of money laundering or the financing of terrorist activities. The program must also be made available to specified regulatory agencies upon request.

Penalties. There can be severe criminal penalties for violations of the federal money laundering provisions, including substantial fines and lengthy prison terms. Under the Money Laundering Control Act of 1986, financial institutions may be prosecuted for assisting or participating in money laundering activities conducted by their customers.

GUIDELINES, RESPONSIBILITIES, AND PROCEDURES.

General Anti-money-laundering Guidelines. Listed below are actions that are fundamental to the AIG American General Companies' policy and procedures to prevent money laundering. AIG American General employees, agents, or representatives engaging in these activities are subject to disciplinary action, including termination, for violation of these guidelines. The Domestic Life Compliance Anti-Money Laundering (AML) Business Unit Procedure Manual is available at http://domino.aig.com/life/houstonlegalandcomplianceweb.nsf/Lookup/AML%20Procedure%20Manual_rev061509/$file/AML%20Procedure%20Manual_rev061509.pdf.

Transactions. No AIG American General employee, agent, or representative shall:

• Be involved in, or assist with what he/she knows, or should have known, to be money laundering activity or transaction; or

• Consider doing a financial transaction if he/she knows, or should have known, that the transaction is furthering a crime or that the funds are from illegal sources.

Customer Knowledge. All AIG American General agents, employees, and representatives shall take reasonable steps to know their customers, with a view toward preventing and avoiding money laundering.

Supervision. All AIG American General home office managers will take all reasonable steps to supervise their employees, agents, and representatives with a view toward preventing and avoiding money laundering.

Anti-money-laundering Compliance Committee. The anti-money-laundering compliance committee shall be responsible for making and enforcing AIG American General's anti-money-laundering policy and procedures.

Membership. AIG American General shall have an Anti-money-laundering Compliance Committee. The current membership is:

Deanna D. Osmonson, Compliance Officer and Anti-money-laundering Compliance Officer, AIG American General, Chair
The Committee may designate any other individuals for specific committee meetings or portions of committee meetings as they deem appropriate.

Responsibilities. The Anti-money-laundering Compliance Committee has the following responsibilities:

Policies and Procedures. Review, at least annually, the existing AIG American General anti-money-laundering compliance policy and procedures and recommend changes, if necessary.

Training and Education. Ensure that appropriate training and education is provided to AIG American General employees, agents, and representatives regarding the anti-money-laundering policy and procedures.

Audit Program. Ensure that an effective audit program is established and maintained with regard to AIG American General's anti-money-laundering policy and procedures.

Evidence of Violations. Review allegations, any related investigations, and other evidence of violations of policies and procedures by any AIG American General employee, agent, or representative.

Procedures Regarding Opening an Account or Selling a Life Insurance Policy or Annuity Contract. In addition to the information required on the application or new account form, AIG American General employees, agents, and representatives must be alert to other risk factors that may appear. If an AIG American General employee, agent, or representative has a reason to believe that a risk factor is present, he/she must promptly notify their profit center compliance officer. The profit center compliance officer, in conjunction with the Anti-money-laundering Compliance Committee, will begin an analysis of the account proposed to be opened or the policy or contract proposed to be sold. The AIG American General Anti-money-laundering Compliance Committee or its designee(s) will conduct a review of all the factors identified that are presented by the proposed new account and/or purchase and will determine from that review the standard of due diligence to be used in determining whether the account may be opened and/or the sale may be completed.

Withdrawals, Surrenders, and Liquidations. AIG American General Companies' employees must also be alert for risk factors that might appear when an individual attempts a withdrawal from or the surrender of a life insurance policy or annuity contract or to otherwise liquidate a holding. If an AIG American General employee has a reason to believe that a risk factor is present in a withdrawal, surrender, or liquidation situation, he/she must promptly notify their profit center compliance officer. The profit center compliance officer, in conjunction with the Anti-money-laundering Compliance Committee, will begin an analysis of the proposed distribution of funds. The Anti-money-laundering Compliance Committee or its designee(s) will conduct a review of all the factors identified that are presented by the transaction and determine from that review the standard of due diligence to be used in determining whether to allow the withdrawal, surrender, or liquidation.

Responsibilities When Opening an Account or Taking an Application for a Life Insurance Policy or Annuity Contract. In addition to all other requirements for opening an account and/or taking an application for a life insurance policy or an annuity contract, AIG American General agents and representatives shall take reasonable steps to verify the identity of all customers and the nature of a customer's transaction. These steps may include, but are not limited to, obtaining:
- Satisfactory identification to corroborate the client's identity (e.g., driver's license with photo and US passport);
- Basic background information on a customer such as residence and place of business; or
- Information on a client's source of funds/wealth to fund the transaction or open account.

**Compliance Activity.** The Chief Compliance Officer, AIG American General, will perform the necessary compliance functions relating to AIG American General's anti-money-laundering policy and procedures. The Chief Compliance Officer shall, when deemed appropriate, be responsible for submission of Suspicious Activity Reports to the Agency.

**OFAC.** AIG American General is subject to the provisions of the various sanctions and programs administered by the Office of Foreign Asset Controls (OFAC). These include prohibitions against trading with certain identified enemies of the United States as set forth in various lists prepared by OFAC and other governmental agencies.

**QUESTIONS** may be referred to Deanna D. Osmonson, Compliance Officer, AIG American General.