

Allianz Agent's Guide to Anti-Money-Laundering

(R-8/2012)

To comply with the Federal Anti-Money-Laundering (AML) Regulations for Insurance Companies, Allianz Life Insurance Company of North America has adopted a detailed AML Policy. You should review the Allianz AML Policy which is located on the www.allianzlife.com website.

The AML regulations and the Allianz AML Policy only apply to covered insurance products. At Allianz, these covered insurance products are annuity policies and whole life insurance policies.

You have an important role to play in the operation of the Allianz AML Policy. As a person who deals directly with customers, you are in a critical position to detect suspicious activities that require actions under the AML regulations. The Allianz AML policy requires you to:

I. Know your customer.

- Allianz agents must identify customers of Allianz by asking for and reviewing an unexpired government-issued photo ID card from the customer. The agent must also sign a statement on the product application form that the agent reviewed the customer's government-issued photo ID card.
- If the name and the photo do not match the person who completes the Allianz product application form, the agent should inform the customer that they cannot accept the application form. The agent should then inform the Allianz Money-Laundering Policy Officer (MLPO) of this suspicious activity.
- If the customer's identity cannot be verified by the use of an unexpired government-issued photo ID card, the agent should request alternative information from the customer and submit the information to Allianz, along with the Allianz product application form.
- The Allianz agent should ensure that all information requested on the Allianz product application form and associated documents is accurate and complete.

II. Identify and report unusual and suspicious activities.

The Allianz agent should notify the Allianz MLPO, shown later, if the agent detects any money-laundering **Red Flags**, so that Allianz can determine whether a Suspicious Activity Report (**SAR**) must be filed with the U.S. Department of the Treasury.

See Exhibit A for a partial list of **Red Flag** situations you may encounter as an agent.

III. Advise customers that only certain types of premium payments will be accepted by Allianz.

Please see Exhibit B for a list of acceptable and unacceptable payments. If you have a question about a specific payment, please contact the FASTeam at 800.950.7372.

IV. Receive training. Allianz agents are required to receive periodic AML training.

Allianz training procedures are as follows:

- Before you place business with Allianz you are required to receive AML training. In addition, the Allianz AML policy requires agents to take an AML refresher course every two years.

For all that's ahead.SM

Allianz 

- Allianz has established an online system to provide this mandatory AML training, which is offered at no cost to you. Allianz provides its agent AML training through LIMRA. To take the LIMRA training, direct your Web browser to: <https://aml.limra.com>.

Your **User ID** is: first four letters of your last name plus last six digits of your Social Security number (e.g., smit123456).

Your **Password** is: last name (e.g., smith).

- The initial LIMRA training takes approximately 45 minutes to complete. The refresher AML training course takes 30 minutes to complete. The LIMRA website will only allow you to take the course you need (initial or refresher).
- You will not need to take the LIMRA training if you have already taken a course with another approved vendor.

However, you will still need to log onto the LIMRA site, and take a couple of minutes to self-certify that you have completed the AML training through another training program and review the Allianz AML policy.

- There is no need to contact Allianz once you have completed the training program. LIMRA will automatically send us electronic notification.
- For questions regarding the training site, please call LIMRA at 866.364.2380. For questions about the training program, you can also call the FASTeam at 800.950.7372.

V. Understand the role of the Allianz MLPO.

The Allianz MLPO is Jennie Sosniecki, telephone number 800.328.5601, ext. 37485.

The MLPO has the sole responsibility for responding to any inquiry regarding suspicious or unusual activity (Red Flags).

For more details on the Allianz AML Policy, please refer to the www.allianzlife.com website.

If you have any questions regarding the Allianz AML Program, please contact the MLPO at the number shown above.

Allianz and its agents share an important responsibility to comply with the Allianz AML Policy, and all applicable AML laws and regulations. A failure to do so will constitute grounds for discipline, up to and including termination. In addition, violation of anti-money-laundering laws and regulations may expose those responsible to substantial penalties under Federal law.

Exhibit A: Red Flags

Red Flags are customer behaviors that may indicate potential suspicious activity for purposes of the USA PATRIOT Act or IRS regulations.

Agents should pay particular attention to any transaction or activity that has “no legitimate business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage.”

This is a partial list of the Red Flags Allianz has identified, and represents common situations you may encounter as an agent. For a complete list of Red Flags, or if you have a question as to whether a situation may involve unusual or suspicious activity, please contact the MLPO, Jennie Sosniecki, at 800.328.5601, ext. 37485.

Customer identification

- A customer uses unusual or suspicious identification documents that cannot be readily verified.
- A customer provides an individual tax identification number after having previously used a Social Security number.
- A customer uses different tax identification numbers with variations of his or her name.
- A business is reluctant, when establishing a new account, to provide complete information about the nature and purpose of its business, anticipated account activity, prior banking relationships, the names of its officers and directors, or information on its business location.
- A customer’s home or business telephone is disconnected.
- The customer’s background differs from that which would be expected on the basis of his or her business activities.

- A customer is a trust, shell company, or private investment company that is reluctant to provide information on controlling parties and underlying beneficiaries.
- A customer is involved in potentially high-risk activities, including activities that may be subject to export/import restrictions (e.g., equipment for military or police organizations of foreign governments, weapons, ammunition, chemical mixtures, classified defense articles, sensitive technical data, nuclear materials, precious gems, or certain natural resources such as metals, ore, and crude oil).

Other customer activity

- A customer purchases products with termination features without concern for the product's investment performance.
- A customer purchases product that appears outside the customer's normal range of financial wealth or estate planning needs.
- The transfer of the benefit of a covered insurance product to an apparently unrelated third party
- The reluctance by a customer to provide identifying information when purchasing an insurance product, or the provision of minimal or seemingly fictitious information
- Lack of concern over investment performance of a covered insurance product. For example, the customer does not care about interest rates, surrender penalties, or comparing products to maximize their investment.

Payment activity

- A customer purchases insurance products using a single, large premium payment, particularly when payment is made through unusual methods such as cash or cash equivalent instruments.
- A customer uses multiple cash equivalent instruments from multiple sources to fund an insurance product.
- Payments received from unrelated third parties to the contract owner (other than transfers and exchanges from other insurers and broker/dealers)
- Payments received from foreign countries

- Transaction structure appears unnecessarily complex and designed to obscure the true nature of the transaction.
- A business or customer asks to be exempted from reporting or recordkeeping requirements.
- A customer makes frequent or large transactions and has no record of past or present employment experience.

Transfer and exchange activity

- Requests to transfer funds to a foreign country
- Transaction structure appears unnecessarily complex and designed to obscure the true nature of the transaction.
- Many funds transfers are sent in large, round-dollar, hundred-dollar, or thousand-dollar amounts.
- Large incoming funds transfers are received on behalf of a foreign client, with little or no explicit reason.
- Funds transfer activity is unexplained, repetitive, or shows unusual patterns.

Large case activity

Individual clients

- Client's permanent address is in the U.S., but is of short duration.
- Client's residential address is outside the U.S.
- Client does not have a SSN or TIN, or is reluctant to provide identifying information.
- Client's citizenship is in a country other than the U.S.
- Source of funds is not known.
- Financial institution holding funds is not known.

Business clients

- Principal headquarters of a business client (if applicable) is outside the U.S.
- Business client has locations in multiple countries.
- Source of funds is not known.
- Complete information about the company is not known: e.g., names and addresses of owners, board of directors, and officers.
- Articles of organization are not available.
- Objective in company purchase of an annuity is not clear: e.g., is the client expecting tax deferral on the annuity(ies)?
- Financial institution holding funds is not known.

Exhibit B: Acceptable and unacceptable payment types

Unacceptable payment types

Do not accept as initial or subsequent premium:

1.	Cash
2.	A personal check or cash equivalent received from <ul style="list-style-type: none"> • the agent or registered representative, or • the agent or registered representative's company (i.e., agent/representative is the payor/remitter). This is only allowed in certain circumstances where the policyholder or contract owner is a close family member.
3.	A check or financial instrument made payable to any party other than Allianz Life Insurance Company of North America. This excludes qualified financial institution checks (see #4 under acceptable payment types).
4.	Company or individual third-party checks (checks with double endorsements). This excludes qualified financial Institution third-party checks (see #4 under acceptable payment types). Examples of unacceptable third-party checks include: <ul style="list-style-type: none"> • Al's Tree Service issues check to John Doe; John Doe endorses the check to Allianz; or • John Smith issues check to John Doe; John Doe endorses the check to Allianz,
5.	A check made payable to cash
6.	Starter checks (checks that are not imprinted with the account holder's name)
7.	Travelers checks
8.	Savings bonds
9.	Stock certificates
10.	A check where the payor is neither the insured/annuitant, nor a close relative of the insured/annuitant, e.g., John Smith issues check to Allianz on behalf of insured/annuitant John Doe
11.	A check drawn in a currency other than U.S. dollars
12.	A check drawn on a foreign bank, unless: <ul style="list-style-type: none"> • the bank is owned/affiliated with Allianz SE; or • the check is for a payment in connection with Canadian business managed by the Allianz Risk Management Special Markets Department

Acceptable payment types

The following payments are acceptable:

1.	A company check issued on behalf of the company's employees, e.g., Al's Tree Service issues a check to Allianz on behalf of employees John Doe, John Smith, and Jane Brown, provided the payment is for: <ul style="list-style-type: none"> • a qualified plan • employer-owned life insurance; or • employer-owned annuity
2.	An insurance company check issued to Allianz on behalf of our customer, e.g., XYZ Insurance Company issues check to Allianz for the benefit of John Doe
3.	Other qualified financial institution checks to Allianz on behalf of our customer, e.g., Merrill Lynch issues a check to Allianz for the benefit of John Doe
4.	Insurance company or other qualified financial institution third-party checks (e.g., institution issues check to John Doe; John Doe endorses the check to Allianz) when the source of funds can be identified as a cash-out from a financial instrument (e.g., certificate of deposit (CD)) or IRA.
5.	A personal check drawn on domestic banks
6.	A personal check drawn on a joint checking account
7.	A personal check drawn against a line of credit (VISA, Discover, MasterCard) or a home equity loan
8.	A check from a close relative for the benefit of grandchild, niece, nephew, etc.
9.	A wire transfer representing a payment from an acceptable account, as shown above.
10.	A cash equivalent
11.	A money settlement transaction (MSD)

The following payments are acceptable as:

- initial premium, contingent upon OFAC check;
- subsequent premium:

A company check issued on behalf of the company's employees where the payment is not for a qualified plan, employer-owned life insurance or an employer-owned annuity: e.g., Al's Tree Service issues a check to Allianz on behalf of employees John Doe, John Smith, and Jane Brown.

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