

## **Self-Disciplinary Rules on Money Laundry Prevention for Insurance Agency**

### **Article I**

This Self-Disciplinary Rules on Money Laundry Prevention for Insurance Agency is established in accordance with Article 6 of Money Laundry Prevention Act.

### **Article II Basic Principles of Money Laundry Prevention**

#### (1) Verification of applicant identity

- A. For individual applicants, sales personnel should request applicants and insured for satisfactory evidence of the identity for business (ID, passport, driver's license, or any other sufficient document for identify). In the case of non-individual applicants, legitimate corporate registration/certification or non-individual representative's proof should be obtained (such as Certificate of Incorporation and Business Registration Certificate or other legitimate certification); Verification against the application should be ensured and documented in application.
- B. Underwriting personnel, while reviewing applications, should verify if verification for satisfactory evidence of applicant identity is sufficient and if the application is filled out by the applicant. When necessary, investigation for evidence of identity or living status should be conducted by underwriting personnel and supporting documents should be separately obtained for records. (Limited to Life Insurance)
- C. To ensure applicant identify, when necessary, secondary verifiable supporting documents for identify may be obtained. Directory from institution/schools, if confirmed to be sufficient for identify verification, can be used as secondary supporting document. In the event that an applicant refuses to provide the required documents, such application should be declined in a courteous manner until sufficient verification of identify can be obtained.
- D. Application should be declined in a courteous manner if an applicant is found to have allegedly used a false name, dummy name, a nominal firm or a nominal institution.
- E. Application should be declined in a courteous manner if identity certification for application is found to be falsified, tampered or provided in Xeroxed copies.
- F. Application should be declined in a courteous manner if the provided documents are suspicious or illegible or if the applicant is unwilling to provide other supporting certificates or if the provided documents are not verifiable.
- G. Application should be declined in a courteous manner if the applicant is found reluctant to provide additional documents as required with unusual delay.
- H. Applicant should be declined in a courteous manner if other unusual conditions are found and the applicants cannot explain them in a reasonable manner.

#### (2) Important notes on transactions after application is booked:

- A. For applicant, with application above the specified threshold sum assured (defined by respective company), requests surrender to refund all premium paid, verification of applicant's identity and motive need to be ensured to prevent any potential money laundry activity.
- B. When necessary, understanding of applicant's personal information, such as profession and residence for individual applicant or business premise and nature of business for non-individual applicant, should be verified through telephone, mail, or other means, and keep related records in archives.
- C. Special attention should be paid and review be conducted to any abnormal condition in the event of applicant applying loan on policies, and change on payment method, beneficiaries, or cancellation. (limited to Life Insurance)

#### (3) Important notes on insurance claim settlement

- A. In the event of insurance claim settlement, identity document for beneficiary and collecting (recipient) parties should be verified and related records and vouchers should be kept in archives.
- B. Verify the reasonability for change on beneficiary.
- C. Verify the parties receiving the claim and ensure that reasonability is in place with the parties' profession and identity.

### **Articles III Reporting procedures for suspicious money-laundry transactions**

In the event of the following situations, appropriate reporting should be made:

- (1) Special attention should be paid and review be conducted to any abnormal condition in the event of insurance application, applicant applying loan on policies, and change on payment method, beneficiaries, or cancellation. (limited to Life Insurance)
- (2) With any individual/non-individual cash transaction on premium payment, cancellation payment, claim payment accumulated over the specific amount, or where the total transactions (including this insurance transaction) on the same business day in the same account, or where cash transaction for the same individual/non-individual accumulated over the specific amount and such transactions do not appear to be commensurate with the client's identify and revenue background and irrelevant to the attributes of his/her profession.

If there is any suspicious event as above two conditions, reporting should be made, taking into account of the Aniti-Money Laundry Prevention Act, and declare such case to the Investigation Bureau, Ministry of Justice, and copy responsible regulatory body. Procedures in declaration is as follows:

- (1) The individual in charge of such transaction shall immediately report to the responsible supervisor whenever abnormalities are noticed.
- (2) The responsible supervisor shall promptly resolve whether or not the case should be declared.
- (3) If a case is ruled that it should be declared, the case shall be immediately handed over to the initial individual-in-charge to fill out declaration in the Appendix.
- (4) If such declared case is considered an urgent case of suspected money laundering activity, the declaration shall immediately be made by the units concerned to the Investigation Bureau, Ministry of Justice promptly by FAX or other feasible means while the documented declaration shall be followed up to the Investigation Bureau, Ministry of Justice. Nevertheless, it is not necessary to make the documented declaration, provided that the Investigation Bureau acknowledges the receipt to the Insurance institutions.
- (5) The aforementioned declaration record and transaction vouchers shall be achieved for five years in the original manner.

### **Article IV Internal control procedure for money laundry prevention**

- (1) Transaction vouchers from application data, payment, claiming, loan on policies, and payment transaction vouchers shall be archived for five years and kept in original manner.
- (2) Attention shall be paid to insurance applicants or sales personnel for their motive, in the event of suspicious avoidance of Anti-Money Laundry Prevention Act (ex. allocation of huge amount of insurance sum-assured from the same applicant or insured)
- (3) Internal control procedure should be reviewed annually (specified by respective company) to ensure if sufficient effort has been made to prevent money-laundry activity. Timely corrective action for discrepancies should be taken promptly.
- (4) The Audit Office shall conduct money-laundry audit and ensure responsible unit to comply with such requirement to prevent money-laundry activities.
- (5) Investigation on employee for suspicious money-laundry activities shall be subject to non-disclosure obligations.

### **Article V Attendance in periodic on-the-job Money-Laundry Prevention training**

Member companies shall arrange Money Laundry Prevention training for both sales and administration personnel. This is to ensure that a full understanding of related money-laundry prevention law and regulation and actions can be put in practice.

### **Article VI**

To ensure the enforcement of money-laundry prevention, a Vice President (or a person of or higher than the equivalent rank) who has taken anti-money laundry training course should be appointed.

#### **Article VII**

Member companies with any confirmed violation of this rule will be subject to written warning issued by supervising committee and corrective action will be taken. If failing to complete corrective action or if confirmed to be a serious offense, 1-3 year of suspension of right will be enforced by supervising committee and will be reported to the unit of authority.

#### **Article VIII**

Matters not provided in these principles should be handled in accordance with Money Laundry Prevention Act and other applicable rules and regulations.

#### **Article VIII**

These principles shall become effective upon approval after being reported to responsible regulators for records. If the rules amended, the above will also apply.