

Zurich Life Anti-Money Laundering Requirements



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Have a Query?

If you have any compliance queries and cannot find the answer in this document, please contact the compliance team at life.compliance@zurich.com or directly on **01 209 2079** or **01 617 4605**. We will answer any queries received within one working day.

1. Introduction

The Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 (CJA 2010) came into force on the 15th July 2010 and placed increased obligations on designated persons such as Life Assurance Companies and Intermediaries, in relation to the prevention and detection of Money Laundering and Terrorist Financing.

In addition, draft Guidance Notes on the prevention of the use of the financial system for the purpose of Money Laundering and Terrorist Financing (the draft Guidance Notes) have been in development and subject to a number of amendments following consultation between the Central Bank and the financial services industry. These draft Guidance Notes provide valuable guidance on the implementation of policies and procedures to meet the requirements of the CJA 2010.

Given the strong industry desire for appropriate guidance and the fact that the CJA 2010 has now been in place for some time, a draft of the Guidance Notes has been submitted for final approval to the Minister for Justice, Equality and Defence in consultation with the Minister for Finance.

In light of this, Zurich Life has subsequently reviewed and updated its current anti-money laundering procedures to ensure compliance with the requirements of the Act and the updated draft Guidance Notes.

2. What are the Key changes?

1. Changes to the Zurich Life Anti-Money Laundering (AML) Grid

Please find an overview of individual AML requirements for all product categories below, alternatively the updated Zurich Life AML Grid is available on the Compliance section of the Broker Centre:

Customer Due Diligence Requirements for Pensions

- Name, address and date of birth detailed on the proposal form.

Customer Due Diligence requirements for Protection business

- For Protection products with an annual premium under €1,000, the name, address and date of birth detailed on the proposal form.
- For Protection products with an annual premium over €1,000, the name, address and date of birth detailed on the proposal form and source of funds (where payment is not by personal cheque/direct debit drawn on a Policy Owner's own account or by way of Broker Client Premium account).

Customer Due Diligence for Savings Plans and Investment Bonds

- Name, address and date of birth detailed on the proposal form.
- Certified copies of proof of ID and proof of address for Policy Owner(s) and third party if applicable (see Section 3 for details).
- Source of funds (for payments not by way of direct debit/personal cheque drawn on the Policy Owners own account).
- Source of wealth where the premium is over €5,000.

In some cases additional Customer Due Diligence may be required. Please see Section 5 of the document "When will additional verification documentation be required" for further details.

2. Customer Due Diligence requirements for Existing Customers prior to 15th July 2010

Why are we required to identify these existing customers?

Section II(c) of the draft Guidance Notes addresses the requirements in respect of updating identification and verification documentation and information on customers that were customers of designated persons prior to the enactment of the CJA 2010 (existing customers). This obligation to update the documentation and information held on existing customers, only arises on the occurrence of a trigger event as set out in the draft Guidance Notes.

Zurich Life's approach to identifying "Existing Customers":

As outlined above Zurich Life is required to identify existing customers in line with the requirements set out in the draft Guidance Notes and to facilitate this, Zurich Life has identified certain trigger events which will provide an opportunity to request the appropriate AML documentation.

The trigger events include:

- Single Premium Top-ups
- Regular Premium Increase
- Reinstatements
- Claims
- Encashments

Where an existing customer needs to provide AML documentation at these trigger events, Zurich Life will request the appropriate documentation. The AML requirements at each trigger event for each risk category are outlined on the AML Grid (Trigger Grid) for policies issued prior to 15/07/10. This Grid is available on the Compliance section of the Broker Centre. If the appropriate AML documents have already been obtained at a previous trigger event on any policy, they will not be requested again.

3. If identification is required for an individual what sources can be used to verify identity?

When any of the following sources are used, a certified clear copy of the relevant page should be marked 'Original Sighted'. This should be signed and dated by you and forwarded with the application form to Zurich Life.

1. Documents which can be used to verify identity for individuals include:

- Current Passport
- Current Driving Licence
- Current National Identity Card

These documents must be current (i.e. unexpired), valid and the person/dates must be clearly legible.

2. Sources which can be used to prove the permanent address include:

- Recent utility bill (no more than 6 months old)
- Bank statement (no more than 6 months old)
- Credit Card statements (no more than 6 months old)
- Building Society statement (no more than 6 months old)
- Official documentation from VHI (or other Health Insurers) which specifically references the individual's policy, as well as their address (no more than 6 months old)
- Other official documentation from a credit institution or insurance company (other than Zurich) regulated by the Central Bank of Ireland which specifically references an account or policy in the individual's name, as well as their address (no more than 6 months old)
- Instrument of a Court Appointment (Grant of Probate for verification of identity of Executor)

The above list of documents is not exhaustive and other documents may be acceptable, subject to a reasonable explanation as to why the above documentation cannot be provided.

3. As previously advised the legislation has introduced two new instruments to verify identity:

- Source of Funds (who is paying and by what method)
- Source of Wealth (Origin of Wealth e.g. proceeds of property sale, redundancy, inheritance, windfall, earnings)

Zurich Life is currently building this information into each relevant application form in the mean time and where applicable, the Source of Funds/Wealth standalone form can be completed. The Source of Funds/Wealth form is available under the Compliance section of the Broker Centre.

4. If identification is required for a Company/ Partnership/Charity, what can be used to verify identity?

For Pensions the Customer Due Diligence requirement is a completed application form.
For all other business the following Customer Due Diligence applies:

Company Requirements
Full name
Registered number
Registered office address in country of incorporation
Principal business address
Source of Funds (where payment is not by way of cheque or direct debit from Policy Owner's own account)
Additionally for private companies and unlisted companies:
A list of the names of the directors
The name of the beneficial owners with greater than 25% of the shares or voting rights or who otherwise exercise control
In addition for Regular Savings Plans and Investment Bonds the following must be obtained:
Certified Copy Certificate of Incorporation for the Policy Owner
Certified Copies of proof of ID and proof of address for two directors of the Policy Owner(s)
Verify the Identity (in line with their legal form e.g. individual, company etc.) of any beneficial owners of the Policy Owner(s) with greater than 25% of the shares or voting rights or who otherwise exercise control
Properly authorised mandate or equivalent from the directors of the Policy Owner(s) empowering the individual to establish the business relationship e.g. authorised signature list
If paid by a third party we are required to verify the identity of that third party, in line with their legal form
Source of Wealth (where the annual premium is above €5,000)

Trusts

In this section, Trust means a Trust that administers and distributes funds. There is a wide diversity in terms of size, purpose, transparency, accountability and geographical scope in relation to Trusts.

Full name of the Trust
Nature and purpose of the Trust (e.g. discretionary, testamentary, bare)
Country of establishment
Names of all Trustees
Name and address of any protector or controller or settler
Names of beneficiaries of 25% or more
Relevant part of Trust Deed setting out all parties to the Trust
Properly authorised mandate or equivalent from the Policy Owner(s) empowering the individual to establish the business relationship, e.g. authorised signature list
Source of Funds (where payment is not by way of cheque or direct debit from the Policy Owner's own account)
In addition for Regular Savings Plans and Investment Bonds:
Certified copies of proof of ID and proof of address for one trustee and one signatory
Where applicable, beneficiary of 25% or more must be identified and verified in line with their legal form
Any third party payor must also be identified
Source of Wealth (where the annual premium is above €5000)

Charities

Charities should be treated for identification purposes according to their legal form. In addition to this, the following information should be obtained:

Full name of Charity
Nature and purpose of Charity
Principal business address of activities
Country of establishment
A properly authorised mandate to open an account and conferring authority on those who will operate it
Identification of the principals controlling the charity and any beneficial owners

5. When will additional verification documentation be required?

As you are aware, the legislation allows designated person(s) to apply aspects of the Customer Due Diligence requirements on a risk-sensitive basis depending on the product being sold, the distribution channel, profile of the customer and geography. Based on these variables additional documentation may be required above and beyond what is outlined in the Zurich Life AML Grids.

Examples when additional Customer Due Diligence may be sought:

- Politically Exposed Persons (see below)
- Non face-to-face sale where the first transaction is not from an Irish Credit Institution in the name of the Policy Owner
- Nationals/Residents of certain countries e.g. countries that don't have comparable AML Laws, countries subject to sanctions, increased risk of fraud, money Laundering etc.

(i). What do I need to do if a client is a Politically Exposed Person (PEP)?

A PEP is a person who is, or has at any time in the preceding 12 months been entrusted with a prominent public function.

For Example:

- Heads of State, Government Ministers and Deputies
- Judges
- Ambassadors, high-ranking Officers in the armed forces

If you are aware that a client is a PEP or is a family member or close associate of a PEP then you should note this in the Special Instructions box on the application form. Zurich Life Compliance Team may then require further information.

(ii). Non face-to-face sales

If you sell a policy non-face to face, you must write 'non face-to-face business' on the special instructions section of the application form.

6. Why are there different AML procedures among Life Companies?

Life Companies may request different Customer Due Diligence documentation due to the risk based approach introduced by the legislation. Each Life Company assesses their risks in relation to their particular suite of products. So, while there will be similarities in the risks across the life assurance industry, there will also be variations in the risk posed to particular companies, resulting in slightly different procedures among Life Companies.

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The information contained herein is based on Zurich Life's understanding of current practice as at June 2011 and may change in the future.

