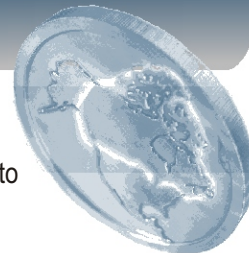


# LIFE INSURANCE COMPANIES, BROKERS AND INDEPENDENT AGENTS

## Legislative Requirements



The following is a summary of the legislative requirements under the PCMLTFA applicable to life insurance companies, brokers or independent agents. When a life insurance agent is an employee of a life insurance company or broker, these requirements are the responsibility of the life insurance company except with respect to reporting suspicious transactions and terrorist property, which is applicable to both.

### REPORTING

#### Suspicious Transactions

You must report where there are reasonable grounds to suspect that a transaction is related to the commission of a money laundering offence or to the financing of a terrorist activity.

See *Guideline 2: Suspicious Transactions and Guideline 3: Submitting Suspicious Transaction Reports to FINTRAC*

#### Terrorist Property

You must report where you know that there is property in your possession or control that is owned or controlled by or on behalf of a terrorist or a terrorist group.

See *Guideline 5: Submitting Terrorist Property Reports to FINTRAC*

#### Large Cash Transactions

Effective January 31, 2003, large cash transactions involving amounts of \$10,000 or more received in cash, must be reported.

See *Guideline 7: Submitting Large Cash Transaction Reports to FINTRAC*

### RECORD KEEPING

The following records must be kept:

- Large cash transaction records
- Client information records
- Copy of official corporate records (binding provisions)

See *Guideline 6: Record Keeping and Client Identification*

### ASCERTAINING IDENTIFICATION

Specific measures must be taken to identify the following individuals or entities:

- Any individual who conducts a large cash transaction
- Any individual or entity that purchases an annuity or life insurance policy for which it may pay \$10,000 or more

See *Guideline 6: Record Keeping and Client Identification*

### THIRD-PARTY DETERMINATION

Where a large cash transaction record is required, you must take reasonable measures to determine whether the individual is acting on behalf of a third party. In addition, where an annuity or life insurance policy is purchased and the client is required to pay \$10,000 or more over the duration of the policy, you must take reasonable measures to determine whether the client is acting on behalf of a third party.

In cases where a third party is involved, specific information about the third party and the relationship with the individual providing the cash or account holder must be obtained.

See *Guideline 6: Record Keeping and Client Identification*

### COMPLIANCE REGIME

The following four elements must be included in a compliance regime:

- The appointment of a compliance officer
- The development and application of compliance policies and procedures
- Periodic review of the effectiveness of policies and procedures
- Implementation of an ongoing compliance training program

See *Guideline 4: Implementation of a Compliance Regime*