

RELIANCE STANDARD

LIFE INSURANCE COMPANY

A MEMBER OF THE TOKIO MARINE GROUP

ANTI-MONEY LAUNDERING & COUNTER-FINANCING OF TERRORISM PROGRAM

(As revised January 28, 2021)

Introduction

Reliance Standard Life Insurance Company and First Reliance Standard Life Insurance Company (collectively, the “Company”) are committed to complying with all applicable laws and regulations relative to anti-money laundering (“AML”) and counter-financing of terrorism (“CFT”). This document describes the policies and procedures employed by the Company in order to address the money laundering (“ML”) and terrorism financing (“TF”) risks in its business.

This Program applies to all officers and employees of the Company, as well as temporary staff and contractors of the Company.

This Program has been approved by the Board of Directors of the Company (the “Board”) and may be amended, modified or supplemented as deemed necessary, including but not limited to where necessitated by a change in applicable laws, rules and regulations, by the Company’s AML/CFT Compliance Officer or General Counsel, subject to the further approval of the Board in the case of any material amendment, modification or supplement.

The Application Of The Anti-Money Laundering Requirements To Reliance Standard Life Insurance Company’s Business

The Financial Crimes Enforcement Network requires that any insurance company that engages in the business of issuing or underwriting “covered products” must prepare a comprehensive Anti-Money Laundering (“AML”) Program and Suspicious Activity Reporting (“SAR”) Requirements (31 CFR § 103.137).

“Covered Products” are defined to mean:

- A permanent life insurance policy, other than a group life insurance policy;
- An annuity contract, other than a group annuity contract; and
- Any other insurance product with cash value or investment features.

To the extent that insurance products do not exhibit features with a cash value or investment feature, the products are not Covered Products.

The insurance products marketed by the Company to consumers and insured groups consist of individual annuities and group life and accident and health insurance.

The individual annuity products sold by the Company are included in the definition of covered product and the group life and accident and health insurance products sold by the Company are not so covered. The Company is required to develop and implement a written anti-money laundering program applicable to the individual annuity product that is reasonably designed to prevent such product from being used to facilitate money laundering.

This Anti-Money Laundering Program (the “Program”) is based upon the knowledge of the individual annuity business, the careful assessment of the vulnerabilities of this product to potential money laundering, including through annually conducting a detailed and the appropriate adoption of controls to guard against the risk of money laundering.

Based upon the Company's latest ML/TF risk assessment, it has been concluded that the risk of money laundering and terrorist financing inherent in the Company's sale of individual annuities is moderate to high and that the risk of money laundering and terrorist financing inherent in the Company's sale of group life and health and accident insurance is extremely low.

The Company has implemented the policies and procedures described in this Program to minimize the likelihood that customers of the Company or other third parties will utilize the Company's insurance products or other relationship with the Company to facilitate money laundering or terrorist financing activities. All Company personnel involved in the sale and processing of Covered Products, as well as its independent agents and brokers who market such products (collectively, "producers"), are educated and trained to recognize and report suspicious behavior.

In addition, the Company maintains an institutional funding agreement-backed note ("FABN") program under which the Company issues funding agreements to a non-controlled special purpose entity, which in turn issues FABNs which are marketed to institutional investors on an ongoing basis. The FABNs are marketed by such entity exclusively through globally recognized, sophisticated and regulated broker-dealers, each of which, in the contractual documents relating to their marketing of securities under the FABN program, has furnished representations and warranties confirming that it maintains Anti-Money Laundering policies and procedures in compliance with applicable legal and regulatory requirements. Accordingly, the funds received by such entity from investors pursuant to the FABN program, which in all events are not subject to early withdrawal by any investor for any reason, will have already been subject to anti-money laundering review by the broker-dealers of which they are customers in accordance with such broker-dealers' own anti-money laundering procedures. Based on all of the foregoing, the Company does not deem it necessary to perform further AML/CFT-related activities relating to its FABN program.

The Company will not tolerate any employee's or producer's failing to adhere to this Program. This also includes any employee's or producer's willful blindness to the red flags and suspicious behavior as described herein. Nor will the Company retaliate, or tolerate retaliation, against any employee who reports or assists in proceedings related to alleged violations of this Program. Consequences for failure to comply with the obligations as stated herein will require disciplinary action, up to and including termination. Additionally, such violations could lead to criminal penalties under applicable law.

An Introduction to the Stages of Money Laundering

Money laundering is generally defined as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that the unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets. Generally, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash generated from criminal activities is converted into monetary instruments, such as money orders or traveler's checks, or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to further separate the money from its criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund other criminal activities or legitimate businesses.

AML/CFT Responsible Department and AML/CFT Compliance Officer

The Company's Law Department is responsible for activities for prevention of money laundering and terrorist financing. The Company shall at all times have an AML/CFT Compliance Officer who is responsible for ensuring that this Program is implemented effectively and kept up to date.

The Company has previously designated Charles Denaro, Vice President, Secretary and Deputy General Counsel, as its AML/CFT Compliance Officer (the "Compliance Officer"), with full responsibility for the Company's AML/CFT program, and hereby confirms such designation. The duties of the Compliance Officer include monitoring the Company's compliance, overseeing that training is adequate for employees, and communication with the appropriate parties regarding AML/CFT and SAR issues. In addition, the Compliance Officer will have direct responsibility for the implementation and updating, as necessary, of this Program.

The Law Department, under the supervision of the Compliance Officer:

- shall be responsible for control of activities for prevention of money laundering and terrorist financing;
- shall approve important matters with regard to the activities for prevention of money laundering and terrorist financing;
- shall request relevant departments to conduct measures necessary for prevention of money laundering and terrorist financing, as well as monitor the activities of the departments and provide support; and
- shall conduct any necessary measures to comply with requirements of applicable AML/CFT laws and regulations as well as respond to requests from the regulators such as disclosure of information.
- shall report the results of the Annual Program (as defined at page __ below) to the Company's Board of Directors (the "Board") after reviewing and evaluating the results thereof
- shall collect and analyze internal and external important information for anti-money laundering (e.g. the trends of transaction volume by customers, products and services, channels, the trends of occurrence of unusual transactions such as early termination, and important amendments of applicable anti-money laundering laws and regulations) in order to capture the material changes of the Company's money laundering risks in a timely manner.

Operational departments of the Company, under the supervision of the Law Department and Compliance Officer, shall:

- execute and promote measures necessary for prevention of money laundering in their areas of responsibility in coordination with Responsible Department;
- provide necessary trainings for relevant officers and employees for the prevention of money laundering in their areas of responsibility; and
- shall establish, with the following as an overall framework, the Company's customer acceptance policy and develop necessary procedures such as know your customer based on the results of risk assessment.

Customer Acceptance Policy

Within the scope of the procedures of anti-money laundering and in accordance with the regulations and recommendations made by the relevant international entities, the Company refuses all potential customers for any of its products which fall under the following categories:

- people, corporations and any other entities whose reputation in the media or in the market are usually associated with criminal activities;
- people, corporations and any other entities whose activities or way of life make it difficult or impossible for the Company to know the origin of their assets;
- people, corporations and any other entities who don't cooperate with the Company by not providing the information required;
- people, corporations and any other entities with whom transactions are prohibited or restricted under US and other relevant countries' laws and regulations on financial sanction, trade embargo, etc.
- people, corporations and any other entities who use false names, whose identification data cannot be verified, or who provide identification data that are not in compliance with applicable laws or are otherwise insufficient.

Know Your Customer

The Company has put into place appropriate know your customer procedures based on the applicable anti-money laundering laws and regulations and the Company's money laundering risks, which include the following:

- identifying the customer and verifying that customer's identity using reliable, independent source documents, data or information;
- verifying that any person purporting to act on behalf of the customer is so authorized, and identifying and verifying the identity of that person;
- identifying the beneficial owner and taking reasonable measures to verify the identity of the beneficial owner, using the relevant information or data obtained from a reliable source, such that the Company is satisfied that it knows who the beneficial owner is;
- clarifying and, where relevant, obtaining information on, the purpose and intended nature of the business relationship; and
- conducting ongoing review of transactions undertaken by the customer with the Company throughout the course of that relationship to ensure that the transactions being conducted are consistent with the Company's knowledge of the customer and/or beneficial owner, their business and risk profiles, including, where necessary, the sources of funds.

When the Compliance Officer receives a report of suspicious activity, the Compliance Officer shall conduct a thorough investigation to determine if reporting to appropriate law enforcement agencies is necessary. Should a SAR be necessary, information will be communicated with the appropriate parties, the SAR will be prepared and adequate records will be maintained.

The Compliance Officer will communicate to the Board any material AML or SAR issues.

Internal Controls

After examining the internal process involved in the sale of individual annuities, the Company has set forth responsibilities in keeping with the level of vulnerability to money laundering. Internal policies and procedures are as follows:

Employee Training

All employees identified as having contact with a Covered Product will receive training appropriate for their specific job function. Each affected area will provide specific education and training in accordance with the procedures used in that area. Training will be provided to all to employees reasonably expected to handle money, requests, or processing that may bring them into contact with the potential for money laundering.

In addition, these employees are required to complete a training course as selected by the Company. Programs offered by industry organizations, such as the American Council of Life Insurers (ACLI) or LIMRA may be utilized to enhance training at all levels. The employees are required to sign a certification that they received the training and a copy of this Program. This Program is also made available to employees on the Company's Intranet at www.reliancestandard.com.

All new employees expected to be involved in the sale or processing of Covered Products will be required to complete AML training after completing the 90-day employee introductory period. Experienced employees that have completed AML training will closely supervise new employees during the initial 90-day introductory period.

Employee Conduct

Employees should be aware of suspicious activity in their particular department, including the behavior of other employees that seems unusual given the circumstances. For example, if an individual in the Company were participating or assisting in money laundering certain red flags may appear. These red flags include:

- An employee appears to have a lavish lifestyle that cannot be support by his or her salary.
- An employee fails to conform to recognized policies, procedures and processes.
- An employee fails to conform to recognized systems or controls.
- An employee is reluctant to take a vacation.

Any employee that would like to relay information regarding suspicious activity in an anonymous manner may use the Delphi Ethics Hotline at 1-888-361-5809, or report via the web at delphifin.ethicspoint.com.

Annuities

Individuals will be trained to identify sources of funds, detect address discrepancies, utilize social security number verification, monitor changes made to the owner, beneficiary and address, and monitor surrender, cancellation, nonforfeiture option and unusual/suspicious payment activity.

Information regarding annuity owners is compared against the OFAC prohibited persons list.

Annuity personnel shall be trained to enable recognition of the red flags associated with money laundering. Red flags associated with annuity sales include, but are not limited to, the following:

- The customer exhibits unusual concern regarding the Company's compliance with government reporting requirements and AML policies, particularly with respect to his or her identity, type of business activities, or furnishes unusual or suspect identification or business documents.
- The customer wishes to engage in transactions that lack business sense or apparent investment strategy or are inconsistent with the customer's stated business strategy.
- The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect.
- Upon request, the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
- The customer (or a person publicly associated with the customer) has a questionable background or is subject of news reports indicating possible criminal, civil, or regulatory violations.
- The customer exhibits lack of concern regarding risks, commissions, or other transaction costs.
- The customer appears to be acting as an agent for an undisclosed principal, but declines or is reluctant, without legitimate commercial reasons, to provide information or is otherwise evasive regarding that person or entity.
- The customer has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry.
- The customer attempts to make frequent or large deposits of currency, insists on dealing only in cash equivalents, or asks for exemptions from the firm's policies relating to the deposit of cash or cash equivalents.
- The customer engages in transactions involving only cash or cash equivalents or other monetary instruments that appear to be structured to avoid the \$10,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds.
- For no apparent reason, the customer accounts under a single name or multiple names, with a large number of inter-account or third party transfers.
- The customer is from, or has accounts in, a country identified as a non-cooperative country or territory by the Financial Action Task Force.
- The customer makes a funds deposit followed by an immediate request that the money is wired out or transferred to a third party without any apparent business purpose.
- The customer requests that a transaction be processed in such a manner to avoid the company's normal documentation requirements.

After the initial account is established, employees involved in post-sale activity, annuity payments and administration will be trained to look for particular suspicious activity such as:

- 1) inappropriate payment methods;
- 2) requests for transfer of the benefit to an unrelated third party, an early termination of the product that is detrimental to the consumer; or requests for payment of benefits to a seemingly unrelated third party.

If suspicious activity is detected, annuity personnel shall report the incident to management and the Compliance Officer.

Producers

The individuals with responsibility for appointment of producers shall verify the identification of the producers seeking appointment with the company.

The Annuity Producer Licensing Department shall obtain verification of completion by producers in AML training selected by the Company. In the event a producer participates in a different training program, the Company must approve the training as adequate. Failure to participate in an approved program in a timely manner could result in the Company not accepting new business from the producer and/or withholding commissions. The Company will update producer training requirements as necessary.

The Company has prepared producer guidelines in keeping with the Company's AML policies and procedures. These guidelines are made available to all producers on the Company Extranet at www.reliancestandard.com. These guidelines set forth the producers' obligation to adhere to the AML policies and procedures, in addition to their other contractual obligations to the Company.

Going forward new producer contracts will include a certification that producers will comply with Company policies and procedures including AML requirements.

Information Technology

IT personnel will implement the OFAC software to assist in detecting any customers, producers or third party beneficiaries deemed at risk by the Office of Foreign Assets Control. The appropriate individuals within the departments involved in the sale, implementation and management of annuity products shall be trained to use this software to assist in the detection of suspicious activity. Software utilized to verify identity or flag suspicious behavior shall be annually reviewed to ensure that the most current and efficient programs are implemented.

Human Resources

Human Resources will implement specific procedures reasonably expected to detect and cause the reporting of transactions required under the BSA. The procedures will include, but not be limited to, background checks for new hires, and assisting in disseminating general AML training materials to the required employees.

All efforts will be documented and retained in accordance with the BSA. Any suspicious activity identified, or law enforcement agency inquiries related to this Program will be directed to the Compliance Officer.

Monitoring and Reporting

Transaction based monitoring will occur within the appropriate business units. Suspicious activity detected will be reported to appropriate law enforcement agencies by the Compliance Officer, or other personnel as directed by the Compliance Officer. All reports will be documented and retained in accordance with the BSA.

Record Retention

As set forth in the Company's Record Retention Manual, a hard copy of the records pertaining to AML, BSA and SARs will be kept in the Law Department for at least five years and made available for examination by the appropriate regulatory body. The Manual has been filed and approved by the State of Illinois, the Company's State of domicile. The Company's policy regarding record retention is consistent with the legal requirements.

Suspicious Activity Reporting (SAR)

The Bank Secrecy Act (the "BSA") requires insurance companies to report suspicious activities to FinCEN (31 CFR §103.16). The SAR regulations describe four specific transactions that must be reported. The Company will file a report when it knows or has reason to know that one or more of the following transactions, or part of a pattern of transactions:

- (1) involves hiding or disguising illegal activities;
- (2) is designed to evade the Bank Secrecy Act requirements;
- (3) has no business or lawful purpose; and
- (4) uses the insurance company to facilitate such activity.

A determination as to whether a report will be filed must be based on all the facts and circumstances in relation to the transaction and customer. When a SAR is necessary it will be filed within 30 days after the Company becomes aware of the suspicious transaction. A new form, the SAR-IC ("Suspicious Activity Report-Insurance Companies."), will replace the procedure of checking the suspicious transaction box on Form 8300 to report activity occurring post May 2, 2006. The Company is aware of its obligation to file Form 8300 as appropriate to report the receipt of cash over \$5,000.00, as required by the BSA. As a matter of policy, the company does not accept cash payments and will not likely have any need to make such a report. Nonetheless, should the need arise; the Company is aware that both Form 8300 and a SAR must be filed.

Producers and employees are required to report suspicious activity to the Compliance Officer immediately and to seek further guidance and instructions.

When a producer or employee detects any red flag, he or she may be requested to investigate further under the direction of the Compliance Officer. When the producer is affiliated with another broker/dealer, life insurance company, or bank, this direction may come from his or her own organization's AML compliance officer. Further investigation may include gathering or attempting to verify additional information from the customer or from third-party sources.

The Company will have, under the direction of the Compliance Officer, sole responsibility for making a determination as to whether to file a SAR and whether a SAR should be filed jointly with other entities subject to federal anti-money laundering rules.

The Compliance Officer will be solely responsible for determining what information should be provided in response to requests for information concerning suspicious activity from customers, employees and producers. Producers by law cannot notify any person involved in a transaction that the transaction has been reported, and the Company will also not provide any such notification except as permitted by law.

The fact that a SAR has been filed or considered, and the contents of an SAR that has been filed, are strictly confidential. The Compliance Officer has the sole responsibility for responding to any inquiry regarding the subject matter of any SAR. An employee or producer must not, under any circumstances, disclose the fact that a SAR has been filed or considered, or the contents of a SAR, to the subject of a SAR or to any other person. Violations may result in civil and/or criminal penalties.

Office of Foreign Assets Control

OFAC, a division of the United States Department of the Treasury's Office of Enforcement, prohibits transactions with, by or for any person listed on OFAC's Specially Designated Nationals and Blocked Persons list (the "SDN list"). OFAC has imposed controls and can freeze foreign assets under United States jurisdiction.

The Company has instituted a procedure to comply with OFAC requirements. On a daily basis a computer program is run in the Compliance Department by 12:00 p.m. The names of all individuals and companies for whom the Company's payment systems have generated potential claim payments, annuity payments, producer commissions, vendor payments or other payments are compared to the SDN list before such payments can be made. Any payee name that appears to match a name on the SDN list is examined to determine whether there is an actual match. If an actual match is identified, the matter is reported to the Compliance Officer and the pending payment to the individual or company at issue is halted pending the receipt of advice from the Compliance Officer as to how to proceed.

Further, as updates are received to the SDN List, the Compliance Officer, or trained personnel, incorporate the update into the system within one business day.

Independent Testing of the Company's AML Policies and Procedures

The Company is required to have independent testing to assist it in monitoring and maintaining an adequate AML program. In fulfillment of this requirement, the Delphi Financial Group, Inc. ("Delphi") Internal Audit Group (the "Internal Audit Group") conducts an audit of the Company's AML program addressing such matters as it deems appropriate in the exercise of its independent judgment no less frequently than annually. The results of such audits are reported to the Compliance Officer, the General Counsel and the Delphi Audit Committee.

AML/CFT Annual Program

In order to ensure that this Program remains up to date and appropriately tailored to address the AML/CFT-related risks of the Company and that the Program is functioning effectively, an annual program (the “Annual Program”) shall be conducted under the oversight of the Compliance Officer, the elements of which shall include:

- Review of applicable AML/CFT laws, rules, regulations, with a particular view to any changes therein having occurred since the last such review;
- Review of changes having occurred since the last such review in the composition of the products being actively marketed by the Company, the types of customers to which such products are marketed, the jurisdictions within which such products are marketed and the distribution channels for such products;
- Review of any significant trends in unusual transactions; for example, termination of annuity contracts within the free look period;
- Performance of an updated AML/CFT risk assessment;
- Review of the results of the most recently completed audit of the Program conducted by the Internal Audit Group;
- Such other activities and matters as the Compliance Officer deems necessary or appropriate to include therein; and
- Based on all of the foregoing, a determination by the Compliance Officer as to whether any changes in this Program or the policies and procedures employed by the Company in furtherance of this Program are necessary or desirable and, if any such changes are so identified, the taking of steps by the Compliance Officer, in conjunction with the relevant operational departments of the Company, to ensure that such changes are implemented in a timely manner.

Role of Producers

Producers are an integral part of the insurance industry due to their direct contact with customers. The producer will be in a critical position as to the source of investment assets, the nature of the clients, and the objectives for which the annuity is being purchased.

The Company is required to integrate the producers selling individual annuities into its AML policies and procedures and ensure their compliance with this Program. A complete guide to producer training and compliance follows.

Both newly appointed and previously appointed producers will be required to provide a Certification indicating completion of the required training program. No producer shall be permitted to place new business with the Company until the Certification is provided. Producers are contractually obligated to comply with all Company policies and procedures, including those pertaining to AML.

Responsibilities Of Producers Under The Program

An agent or broker is responsible for performing the following responsibilities with respect to any transaction involving any of the Company’s Covered Products.

Each producer shall be notified in writing of these responsibilities. A failure to comply with these responsibilities will be grounds for discipline up to and including termination and cancellation of the producer's appointment. In addition, violation of AML/CFT laws expose those involved to substantial penalties under the Federal law.

a. Customer Due Diligence

- i. **General Responsibilities.** Producers are responsible for obtaining and providing complete and accurate information in all applications and other documentation required for the issuance of a Covered Product or a transaction involving a Covered Product. Producers are also responsible, in cooperation with the Compliance Officer, for performing any due diligence necessitated by the presence of any red flags that may arise concerning a Covered Product.
- ii. **Customers Who Resist Providing Information.** The Company may decline to do business with customers who refuse to provide the information described above as requested, who appear to have provided false or misleading information, or whose information cannot be verified. In cases of refusal or false or misleading information, the Compliance Officer should be notified so that a determination can be made as to whether a Suspicious Activity Report should be filed. The company may also make a risk-based decision on clients whose information could not be verified based on the quality of the information available and the circumstances of the client interaction.

b. Forms of Payment

- i. The Company will accept only bank checks and wire transfers from United States financial institutions as payment for annuity products. No cash or money order payments will be accepted.
- ii. Producers have the following responsibilities with respect to these standards:
 1. Producers should communicate the restrictions on acceptable payment to his/her customers in advance of accepting payment.
 2. If a customer gives the producer an unacceptable form of payment, the producer should explain what forms of payment are acceptable and return the unacceptable payment immediately.
 3. If the producer encounters difficulty dealing with a customer regarding this Policy, he or she should call either the Compliance Officer or the designated relationship manager (if a third party agent or broker) for assistance.

c. Training Programs for Producers

- i. Producers will be trained in the Company's AML program. Producers may be trained through one or more of the following methods:

They may take an AML training course recognized by the Company as providing the education and

training required by the BSA.

1. If the producer is also a registered representative of broker/dealer, an agent with another insurance company, or a representative of a bank, with its own AML course, the Company will accept certification of completion of that organization's AML training program. However, the Company will decide upon the validity of the training program. If the program is determined to be insufficient, the producer shall participate, and provide proof of such participation, in the Company's recognized training program. In instances where the broker/dealer, insurance company, bank or other provider deems the AML training to be proprietary Reliance Standard will review any and all AML documents that the firm will provide to determine if the AML program is adequate. In such cases, where feasible, the Company may request that the organization provide a certification that its AMP training program meets applicable regulatory requirements.
2. If the producer is not directly affiliated with and supervised by a broker/dealer, insurance company, or bank, the Company may accept certification that this person has received AML training at its own discretion. If the Company deems the program to be insufficient, the producer shall participate, and provide proof thereof, in the Company's recognized training program.

d. Cooperation with Testing of the Program

- i. Producers are required to cooperate with the Company's testing of the Program

e. Confidential Reporting of AML/CFT Non-Compliance

- i. Any suspected AML/CFT-related violations must be reported to the Compliance Officer, unless such suspected violations implicate the Compliance Officer, in which case reports shall be made to the Delphi Ethics Hotline at 1-800-361-5809. Any such reports will be confidential.

**Minimal Requirements of an AML Training Program
For Life Insurance Producers**

1. Format and Procedures

- a. The course should be provided in a classroom setting by an instructor or through an on-line program.
- b. The course should include instruction on general standards, their application to particular fact situations, and some testing of a producer's grasp of material.
- c. Controls should be present to assure that producers both sign in and complete testing. Each person taking the course should be provided a document substantiating completion of the course and a document summarizing the subjects covered.
- d. The course should cover the subjects list in paragraphs 2 through 8 and should include case

studies.

2. Key Concepts

- a. The Definition of Money Laundering
- b. Three Stages of Money Laundering
- c. Terrorist Financing
- d. The Insurance Company's Obligation to Establish an AML Program and Report Suspicious Activity

3. Producer's Responsibilities

- a. Gaining Familiarity with Company Programs
- b. Training
- c. Methods of Payment
- d. Identifying Red Flags and Reporting Suspicious Activity for annuities
- e. Participating in Assembling Information for SARS and Confidentiality
- f. Record-keeping
- g. Complying with Requirements Applicable to High Risk Countries, Transactions, OFAC, and FATF Countries

4. Know Your Customer

- a. What role will producers play in gathering information from customers?
- b. What source of funds will be paying for the policy?
- c. How does a producer verify the customer's identity?

5. Methods of Payment

- a. Product specific requirements, if applicable, for premium payments, rollovers, transfers, loan repayments
- b. Currency
- c. Definition of cash equivalents including money orders, cashiers checks, travelers checks, etc.
- d. Wire transfers and EFT (including foreign jurisdictions)

6. Suspicious Activity Monitoring and Reporting

- a. Identifying Red Flags-methods of payment, initial point of sales meetings with customer, new business and application activity, ongoing account activity, where applicable), ongoing payment activity (where applicable)

7. Record-keeping Responsibilities

- a. What information should a producer record after a meeting with a customer?
- b. Can these records be electronic?
- c. What type of records should a producer keep on customers?
- d. How long should these records be kept?

8. Foreign Clients and Overseas Markets: OFAC, FATF countries

- a. What type of insurance transactions would be an OFAC violation?
- b. What countries are on the OFAC and FATF list? What does that mean?
- c. High risk customers
- d. Extra due diligence

9. Time as a critical element

- a. Timing requirements for filing of items
 - i. SARS
 - ii. OFAC reporting
 - iii. Cash and cash equivalent receipt reporting

10. Penalties

- a. Criminal (for organizations and individual)
 - i. Fines in dollar amounts or as a multiple of the property involved in the transaction- whichever is greater
 - ii. Prison sentences
- b. Civil (for organizations and individuals):
 - i. Fines in dollar amounts or the value of funds involved in the transaction- whichever is greater
 - ii. Seizure of any property involved
- c. Reputation
 - i. Damage to the insurance company's reputation
 - ii. Damage to the personal/professional reputation

Guidelines For Customer Identification Program

Identification of Individual Customers and Verification of Identity

For customers who are natural persons or the sole proprietor of a business, the producer must obtain and record the following information before a policy can be issued:

1. Name;
2. Tax Identification Number;
3. Address; and
4. Date of Birth.

In order to facilitate verification of identity under the Company's Identification Program, the producer must:

1. Identify the customer by photo identification or other reliable measures; and
2. Complete a Customer Identification Certification Form and submit with the customer's annuity application. A copy of this Form may be found on the Extranet.

Recordkeeping

Producers must maintain a record for five years of information collected to identify a customer and the methods used to resolve any concerns about the documentation. This five-year time period will extend to five years after the policy or contract is surrendered, lapsed, terminated by death, or closed for any reason.