



Sentinel Life

2121 South State Street – Salt Lake City, Utah 84115

Telephone: (801) 484-4040

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Sentinel Security Life Insurance Company Agent Anti Money-Laundering Policy

INTRODUCTION:

The USA PATRIOT ACT Pub. Law 107-56(2001) “Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act was enacted in order to better protect the financial services industry from potential abuse by criminals and terrorists. Among other things, the Act requires insurance companies to establish anti-money laundering programs and the Department of the Treasury to set standards for these programs. The Treasury Department and its Financial Crimes Enforcement Network have issued regulations requiring insurance companies to establish an anti-money laundering program and to report suspicious transactions. In this program insurance agents and brokers are expected to play an important role.

THE DEFINITION OF MONEY LAUNDERING:

Money Laundering: Money Laundering is a varied and often complicated process that can, but does not always, involve cash transactions. Illegally-obtained money is filtered through a series of transactions that eventually make the money appear to be obtained from "clean", or legal, activities. The money laundering process has been described as having three phases that often overlap:

Placement- Injecting ill-gotten proceeds, including cash, into the financial system through transactions such as bank deposits.

Layering- Separating illicit proceeds from their criminal source through complex financial transactions.

Integration- Putting the proceeds back into circulation in the economy, with the appearance of legality.

TERRORIST FINANCING

Terrorist Financing: Terrorist financing involves the use of money, which may be lawfully obtained, to fund illegal activities. Because the transactions often have a legitimate origin and can often involve small amounts of money, terrorist financing can be more difficult to identify than money-laundering activities. However, an effective anti-money laundering program can help prevent the use of legal funds for terrorism activities.

AGENT RESPONSIBILITIES

Role In Gathering Information:

Insurance agents are an integral part of the insurance industry due to their contact with applicants. As a result, the agent will often be in a critical position of knowledge as they have direct contact with applicants and are thus often in the best position to gather information and detect suspicious activity.

General responsibilities will include:

1. Obtaining and providing a complete and accurate application and all other documents.
2. Cooperation with the Compliance Officer: Dan Acker
Address: 2121 South State, Salt Lake City, UT 84115
Telephone Number (800) 247-1423 ext 4018
3. Reporting Suspicious Activities

IDENTIFYING RED FLAGS AND REPORTING SUSPICIOUS ACTIVITIES

As agents, you are often in the best position to detect suspicious activity. To help in determining what consists of suspicious activity below is a list of "**Red Flags.**"

Examples of Red Flags are:

1. Policy owner or applicant exhibits unusual concern about the insurance company's compliance with Government reporting requirements or its AML policies, particularly with respect to his or her identity, type of business and assets, or is reluctant or refuses to reveal information concerning business activities, or furnishes unusual or suspect identification or business documents.
2. Policy owner wishes to engage in transactions that lack business sense or apparent investment purpose, or are inconsistent with stated business strategy.
3. The information provided by the customer that identifies a legitimate source for funds is false, misleading, or substantially incorrect
4. Policy owner exhibits a lack of concern regarding investment risks, commissions, surrender charges, sales charges, or other transaction costs.
5. Upon request the customer refuses to identify or fails to indicate any legitimate source for his or her funds and other assets.
6. The policy owner 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.
7. Policy owner or applicant has difficulty describing the nature of his or her business or lacks general knowledge of his or her industry; in the case of a business account.
8. Policy owner or applicant is from, or maintains accounts or policies in a Financial Action Task Force non-cooperative jurisdiction or a Financial Crimes Enforcement Network designated jurisdiction of Primary Money Laundering Concern. New business in any way involves individual, entities, or countries on the Office of Foreign Assets Control list.

9. The customer engages in transactions involving cash or cash equivalents or other “monetary” instruments that appear to be structured to avoid the \$5,000 government reporting requirements, especially if the cash or monetary instruments are in an amount just below reporting or recording thresholds. Currently \$5,000 for a Suspicious Activity Report.

10. For no apparent reason, the applicant has multiple accounts under a single name or multiple names, with a large number of inter-account or third-party transfers.

11. Policy owner or customer makes a premium payment or deposit followed by an immediate request that the funds be wired out or transferred to a third party or another firm, with no apparent business or other purpose

12. Policy owner requests that a transaction be processed in such a manner to avoid the insurance company's normal documentation protocols.

13. Sentinel experiences inflow of funds well beyond the known income or resources of the policy owner or customer.

14. Request is made for disbursements to be made payable to an agent or third party other than another financial institution.

15. Withdrawal, loan or surrender request is preceded by, or accompanied by, an address change.

METHODS OF PAYMENT

Suspicious Methods of Payment: Certain forms of payment, including cash, money orders, traveler's check and bank checks can be used in the placement phase of a money laundering scheme. In order to eliminate possible money laundering schemes, the goal is to reduce the chances that we will be involved in a money laundering scheme. Because agents and brokers often collect the first premium payment due under a policy, it is the responsibility of agents to inform applicants of these rules and enforce them.

VERIFICATION OF FUNDS AND IDENTITY

Verification of Funds: If a applicant provides a form of payment that is cash, money orders, traveler's checks or bank checks, agents should inquire further about the source of the funds, i.e. where did the funds come from?

Verification of Identity. For applicants who are natural persons or the sole proprietor of a business, the agent or brokers must obtain and record the following information before a policy can be issued:

1. NAME
2. ADDRESS
3. DATE OF BIRTH

In order to comply with Sentinel Security Life Insurance Company's verification of identity:

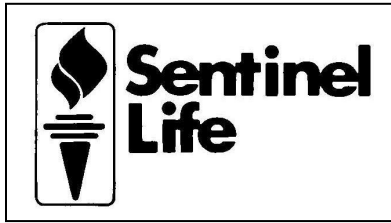
1. Request an unexpired government-issued form of identification bearing a photograph.
2. Confirm that the photograph matches the applicant.
3. Confirm address, date of birth, and other personal information. Record the identifying information from the identification.

Applicants who resist providing the necessary documentation and information, as described, or who appear to have provided false or misleading information, or information that cannot be verified, contact the Compliance Officer. SECURITY LIFE INSURANCE COMPANY will then make a risk-based decision as to the quality of the information available and the circumstances of the client interaction.

ASSEMBLING INFORMATION AND CONFIDENTIALITY

Information for Suspicious Reporting: As agents, it is crucial that the information about suspicious activity be reported to the Compliance Officer in a timely manner. The Compliance Officer may request additional information from you as an agent in order to complete a Suspicious Activity Report (SAR). Please obtain this information as quickly as possible, and ensure its accuracy.

Confidentiality: The fact that a SAR has been filed or considered, and the contents of any 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. Any agent 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.



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By my signature below I certify that I have read Sentinel Security Life Insurance Company's ANTI MONEY LAUNDERING program that complies with the guidelines required by the Pub. Law 107-56(2001) "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA Patriot Act) This document will be held in my agent file as evidence of my acknowledgement of my responsibilities as a licensed agent with Sentinel Life Insurance Company.

Please Print your Name

Date

Agent Signature

Agent Number