












GUARANTY INCOME LIFE INSURANCE COMPANY
ANTI-MONEY LAUNDERING "RED FLAGS"
(September 2010)

The **USA Patriot Act** originally effective in April 2002 was expanded in May 2005 to require any insurance company offering certain products to establish an [anti-money laundering \(AML\) program](#) to help detect and report possible criminal or terrorist activity.

Employees and producers of Guaranty Income Life Insurance Company are on the alert for suspicious activities, "**red flags**," with set procedures to report any such activity to the [Financial Crimes Enforcement Network \(FinCEN\)](#).

Knowing your clients and the type of activities they are likely to perform is critical to the detection of money laundering. This process begins in the initial profiling and account opening stages and continues throughout the customer relationship. Generally, a lack of reasonable economic basis or recognizable strategy should be regarded as suspicious activity.

RED FLAGS: Suspicious activities associated with existing or potential customers include:

	ACCOUNT OPENING RED FLAGS	TRANSACTIONAL RED FLAGS
	Incomplete information accompanied by excessive secrecy regarding the client's occupation or source of funds.	Transfers of the benefit of a product to an apparently unrelated third party.
	Unwillingness to provide information for identity verification.	Changes of address or changes of owners to foreign countries.
	Applicant for insurance provides home telephone number that has been disconnected.	Large overpayment of premiums.
	Purchases inconsistent with the client's needs.	Purchase of an insurance product with monetary instruments in structured amounts.
	Dramatic change in the client's pattern of business activities.	Excessive cash or currency transactions or payment methods.
	Applicants with no concern for the performance of the policy but a great deal of concern about the early termination features.	Any transaction involving an undisclosed party.
	Attempts to use a third-party check to make a proposed purchase of a policy.	Early redemptions or termination of a policy (including free-look) without regard for penalties or fees, or where the refund check is to a third party.
	Payment with money instruments structured to avoid reporting requirements.	Request to make a lump-sum payment by a wire transfer or with foreign currency.
	Applicants who buy policies from several institutions in a short time frame.	Request to borrow the maximum cash value of a single premium policy soon after paying for the policy.
	Applicants with unusually great concern for the insurer's or agent's compliance with reporting requirements.	Request to cancel a large insurance policy soon after purchase with cash value returned, payable to a third party.
	Inability to establish insurable interest between purchaser, insured and beneficiaries.	Change of life policy ownership with no apparent insurable interest.