



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila

MEMORANDUM

FOR : All Insurance and Pre-need Companies, Mutual Benefit Associations, Insurance and Reinsurance Brokers and Other Supervised Entities

DATE : 14 July 2014

SUBJECT: AMLC NRA Project Data/Information Collection Requirement for Insurance Sector Vulnerability Sub-Working Group

This pertains to the Insurance Commission (IC) Circular Letter No. 2014-33 dated July 14, 2014, requiring all regulated entities to cooperate with the Insurance Commission to fully support and actively participate in the conduct of the Money Laundering/Terrorism Financing (ML/TF) National Risk Assessment (NRA) through involvement in the ML/TF NRA Working Group as mandated by Memorandum Circular No. 64 dated 20 June 2014 issued by the Office of the President.

The Insurance Commission takes part in this project as Secretariat of the AMLC NRA Project with different Sub-Working Groups. One of the Sub-Working Groups is **Insurance Sector Vulnerability** which is composed of representatives from the IC, private sector, industry associations and the AMLC Secretariat.

The AMLC NRA project requires pertinent data and information which are available with the regulated companies. In this regard, please see attached **Annex 1** (Information/Data Requirements) of this letter. Said data requirements are based on the main guide questions attached as Annex A of IC Circular Letter 2014-33 which is modified by the Sub-working group in order to clarify each item.

Please submit the necessary data **on or before August 4, 2014** to the Insurance Commission Main Office. Please email the following persons to ensure receipt of your submissions:

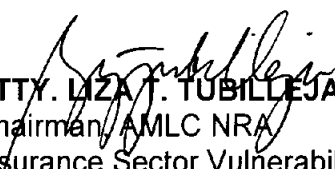
Atty. Liza T. Tubilleja, lt.tubilleja@insurance.gov.ph, (direct line) 4041758
Gregory Vincent O. Ferrer, gvo.ferrer@insurance.gov.ph
Insurance Commission, 1071 UN Avenue
Ermita, Manila

For your concerns and clarifications you may address it to the above contact persons or you may also contact the AMLC Secretariat for the Insurance Sector Vulnerability Group:

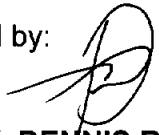
Atty. Rafael Echaluse, 7087071 (direct line), rechaluse@bsp.gov.ph
Atty. Roland C. Villaruz, 3023975 (direct line), rvillaluz@bsp.gov.ph
Insurance Sector Vulnerability Sub-Working Group Secretariat
AMLC Secretariat

Thank you.

Very truly yours,


ATTY. LIZA T. TUBILLEJA
Chairman, AMLC NRA
Insurance Sector Vulnerability
Sub-Working Group

Noted by:


ATTY. DENNIS B. FUNA
Deputy Insurance Commissioner
AMLC NRA Working Group
IC Official Representative

AMLC - National Risk Assessment (NRA)
Data/Information Collection

QUESTIONNAIRE

	Data Requirement	Questions																																																																																																														
	<i>Information on AML monitoring system, data collection systems in the insurance sector</i>	1. <u>Is your company already registered with AMLA?</u> 2. <u>What is the AML monitoring system used by the company? Please describe the system/s.</u> 3. <u>Is the company storing the information for at least 5 years? If not, how long do you store the data/information?</u>																																																																																																														
Information for Specific Sectors	<i>Staff knowledge in insurance companies (statistics in AML training given to staff, statistics on trainings by authorities to insurance companies, others)</i>	4. <u>Please use the template below:</u>																																																																																																														
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Information for Product Analysis	<i>Prepare a list of all products/services being offered.</i>	5. <u>List of all products and services according to classification/category.</u>																																												
	<i>Data total turnover per product classification</i>	<p>6. <u>Please use the template below.</u></p> <p style="text-align: center;"><u>For Life, MBAs, etc. and Pre-need Companies:</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Product Classification</u></th> <th style="text-align: center;"><u>Premium Income</u></th> <th style="text-align: center;"><u>No. of Issued Policies</u></th> <th style="text-align: center;"><u>No. of Outstanding Policies as of year end</u></th> <th style="text-align: center;"><u>% of Turnover</u></th> <th style="text-align: center;"><u>No. of Policies Surrendered / Cancelled</u></th> <th style="text-align: center;"><u>No. of Policies Lapsed</u></th> <th style="text-align: center;"><u>No. of Policies with Changed Beneficiaries</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><u>2010</u></td> <td style="text-align: center;">Ex. Investment-Linked</td> <td style="text-align: center;">PhP</td> <td style="text-align: center;"><u>100</u></td> <td style="text-align: center;"><u>90</u></td> <td style="text-align: center;"><u>10%</u></td> <td style="text-align: center;"><u>10</u></td> <td style="text-align: center;"><u>0</u></td> <td style="text-align: center;"><u>1</u></td> </tr> <tr> <td style="text-align: center;"><u>2011</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;"><u>2012</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;"><u>2013</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(NOTE: Covered period is January 2010-December 2013)</p>	<u>Year</u>	<u>Product Classification</u>	<u>Premium Income</u>	<u>No. of Issued Policies</u>	<u>No. of Outstanding Policies as of year end</u>	<u>% of Turnover</u>	<u>No. of Policies Surrendered / Cancelled</u>	<u>No. of Policies Lapsed</u>	<u>No. of Policies with Changed Beneficiaries</u>	<u>2010</u>	Ex. Investment-Linked	PhP	<u>100</u>	<u>90</u>	<u>10%</u>	<u>10</u>	<u>0</u>	<u>1</u>	<u>2011</u>									<u>2012</u>									<u>2013</u>							
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	<p><i>Data on total volume and average transaction size for each product/service/channel.</i></p> <p><i>The amount of associated assets/liabilities/turnover can serve as an indicator of the volume.</i></p> <p><i>Average transaction size doesn't need to be precise and can be estimated based on sampling.</i></p> <p><i>Statistics on PEPs and other risky customers, international transactions, transactions with offshore centers/tax havens, high risk regions.</i></p>	<p>7. Please use the template below.</p> <table border="1"> <thead> <tr> <th><u>Year</u></th> <th><u>Product Classification</u></th> <th><u>Type of Intermediary/ Distribution Channel</u></th> <th><u>Total Peso Amount (Volume; actual premiums paid) Sold per year</u></th> <th><u>Average transaction size per policy sold/ issued</u></th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>Ex. Life</td> <td>Agent</td> <td>Ex. 10M</td> <td>Ex.100k (PhP10M/100 policies)</td> </tr> <tr> <td></td> <td></td> <td>Broker</td> <td>50M</td> <td>500k (PhP50M/100 policies)</td> </tr> <tr> <td></td> <td></td> <td>Bank</td> <td>5M</td> <td>1M (PhP5M/5 policies)</td> </tr> <tr> <td></td> <td></td> <td>Direct Mktg.-TeleMktg.</td> <td></td> <td></td> </tr> <tr> <td></td> <td>Motor vehicle</td> <td>Agent</td> <td></td> <td></td> </tr> <tr> <td>2011</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2012</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2013</td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p>(NOTE: Covered period is January 2010-December 2013)</p>	<u>Year</u>	<u>Product Classification</u>	<u>Type of Intermediary/ Distribution Channel</u>	<u>Total Peso Amount (Volume; actual premiums paid) Sold per year</u>	<u>Average transaction size per policy sold/ issued</u>	2010	Ex. Life	Agent	Ex. 10M	Ex.100k (PhP10M/100 policies)			Broker	50M	500k (PhP50M/100 policies)			Bank	5M	1M (PhP5M/5 policies)			Direct Mktg.-TeleMktg.				Motor vehicle	Agent			2011					2012					2013				
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["Politically Exposed Person" (PEP)] refers to a natural person who is or has been entrusted with prominent public positions in the Philippines or in a foreign State, including heads of state or government, senior politicians, senior national or local government, judicial or military officials, senior executives of government or state owned or controlled corporations and important political party officials]

["International Transactions"] refer to premium payments and disbursements remitted from/to abroad.]

[High Risk jurisdictions – Iran, Democratic People’s Republic of Korea (DPRK);

Non-cooperative jurisdictions - Algeria, Ecuador, Indonesia, Myanmar) based on FATF Public Statement – 27 June 2014]

For more information, please see website:
<http://www.fatf-qafi.org/>

8. Please use the template below:

<u>Year</u>	<u>No. of PEPs</u>	<u>No. of Other High-Risk Customers</u>	<u>No. of International Transactions (indicate country)</u>	<u>No. of Transactions with Offshore Centers/High risk regions/tax havens (Indicate country)</u>
2010	Ex. 1	Ex. 1	Ex. 1 (Canada)	Ex. 1 (Indonesia)
2011				
2012				
2013				

(NOTE: Covered period is January 2010-December 2013)

9. What are the financial flows into and out of the Philippines?

10. What are the major sources of financial flows into the Company from outside the Philippines, if any?

	<i>Information on client risk profiling and monitoring systems of the financial institutions</i>	11. <u>Does the company have rules/policies on client risk profiling?</u> 12. <u>How does the company profile/monitor each client? Describe risk profiling process; documentary requirements from clients; and/or procedures in updating of client information.</u>
Specific Questions	<i>Definition: in-depth focus on individual sectors and vulnerabilities therein</i>	13. <u>Description of the sector the company belongs to and its vulnerabilities to Money Laundering/Terrorist Financing (ML/TF).</u>
	<i>What record keeping systems are available for each of the individual sectors?</i>	14. <u>Does the company have a record keeping system/policy?</u> 15. <u>Describe record keeping system that the company utilizes/implements.</u>
	<i>How easy is it for authorities to get access to these record keeping systems?</i>	16. <u>How accessible are the information/data/records to the regulators (IC, AMLC), if needed?</u>

Important:

1. This Questionnaire is based on the Annex A attached in the IC Circular Letter 2014-33 with additional sub-questions to guide the companies in providing the data/information requirement.
2. In addition to the Questionnaire provided by PFPPCI, pre-need companies shall also accomplish this questionnaire.
3. All companies shall provide the required data/information and submit to the Insurance Commission Main Office or may be coursed through industry associations.

For further inquiries/clarifications, please contact:

<p>Atty. Rafael Echaluse, Tel. No.: 7087071 (direct line) E-mail address: rechaluse@bsp.gov.ph</p> <p>Atty. Roland C. Villaruz, Tel. No.: 3023975 (direct line) E-mail address: rvillaruz@bsp.gov.ph</p> <p>Insurance Sector Vulnerability Sub-Working Group Secretariat AMLC Secretariat BSP Complex, Roxas Blvd., Manila</p>	<p>Atty. Liza T. Tubilleja, Tel. No.: 4041758 (direct line) E-mail address: lt.tubilleja@insurance.gov.ph,</p> <p>Gregory Vincent O. Ferrer, E-mail address: gvo.ferrer@insurance.gov.ph</p> <p>Insurance Sector Vulnerability Sub-Working Group Insurance Commission 1175 UN Avenue, Manila</p>
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