

# 12 Warning Signs of Money Laundering

Detecting suspicious transactions in the insurance industry

Regulatory compliance, reputation and business integrity are all at risk when it comes to money laundering schemes in life insurance.

The Financial Crimes Enforcement Network has identified certain insurance products susceptible to money laundering:



Source: Frequently Asked Questions Anti-Money Laundering Program and Suspicious Activity Reporting Requirements for Insurance Companies, Financial Crimes Enforcement Network, U.S. Department of the Treasury.

## Know the Warning Signs

Prevent money laundering by flagging these signs of suspicious activity.



### Warning Sign – They want their money back

- 1 Purchasing a premium investment-linked policy and cashing in a short time later or making an overpayment, then asking for a refund
- 2 Using the free look or cooling off period multiple times
- 3 Purchasing a policy and making a claim soon after



### Warning Sign – Unusual payment plans

- 4 Funding a policy using payments from a third-party or an offshore bank
- 5 Having premiums paid into one policy from different sources
- 6 Making regular premium payments followed by large lump-sum investments
- 7 Making large payments using cash equivalents or other high-risk instruments



### Warning Sign – Atypical customer behavior

- 8 Seeming more interested in cancellation policies than benefits of the policy
- 9 Making international transfers as a politically exposed person
- 10 Having an investment that exceeds normal value for income or occupation
- 11 Having an unusual number of policies per customer or number of policy owners per address
- 12 Having an unusual relationship between the policy holder and the beneficiary

## Connect With Us

AML Risk Manager from Fiserv goes beyond the compliance mandate to help life insurance companies detect, alert, manage and report money laundering threats. AML Risk Manager is specifically built to meet the needs and risk scenarios of life insurers to provide stronger protection against criminal activity, potential regulatory actions and damaged reputations. [Learn more.](#)