

# Anti-money laundering

## Producer's guide

As an insurance producer, your skills and services help your clients achieve financial success and security. Because you are on the front lines of a multi-billion dollar industry, you are in a unique position not only to serve your clients, but also to help prevent money laundering and the financing of terrorist activities.

To comply with the federal anti-money laundering regulations for insurance companies that went into effect May 2006, Lincoln Financial Group (LFG) has enhanced our anti-money laundering program. The regulations apply to all individual permanent life insurance products, individual annuity products, and all other insurance products with cash value and investment features offered through LFG. You have an important role to play in this program. As a producer dealing directly with customers, you are in a critical position to obtain information regarding the customer, the customer's source of funds for the products you sell, and the customer's reasons for purchasing an insurance product.

### **Suspicious activity**

Notify us if you detect any suspicious activity, also referred to as "red flags." AML, Fraud and Investigations will determine whether a Suspicious Activity Report (SAR) must be filed with the Financial Crimes Enforcement Network (FinCEN). See below for further information on this process.

Examples of red flags include, but are not limited to:

- The purchase of a product that appears to be inconsistent with a customer's needs.
- The purchase or funding of a product that appears to exceed a customer's known income or liquid net worth.
- Any attempted unusual method of payment, particularly by cash or cash equivalents such as money orders or cashier checks.
- Payment of a large amount broken into small amounts.
- Little or no concern by a customer for the investment performance of an insurance product, but much concern about the early termination features of the product.
- The reluctance by a customer to provide identifying information, or the provision of information that seems fictitious.
- Any other activity that appears suspicious.

### **AML Compliance Officer designation, reporting of suspicious activity**

The AML Compliance Officer has the sole responsibility for responding to any inquiry regarding the subject matter of any suspicious activity report (SAR). A producer must not, under any circumstances, disclose the fact that a SAR has been filed or considered, or disclose the contents of a SAR, to the subject of a SAR or to any third party. Producers associated with LFG should report any suspicious activity to EnterpriseServiceAML@LFG.com. Independent producers who are with a broker-dealer or bank (but not affiliated with LFG) should notify AML, Fraud & Investigations EnterpriseServiceAML@LFG.com) of the suspicious activity as well as consult their firm's AML policy regarding reporting of suspicious activity.

### **Cash/cash equivalents**

Advise customers that the following types of payment may be accepted:

- Personal checks drawn on U.S. banks
- Wires drawn on U.S. banks
- EFTs or ACHs
- Foreign bank drafts drawn on U.S. bank affiliates
- Corporate checks drawn on U.S. banks
- Bank checks, also referred to as cashier's and treasurer's checks, over \$10,000
- Traveler's checks and postal checks over \$10,000

If a customer provides a form of payment that is not permitted, it must be returned immediately.

### **Training**

For more details on each of the training requirements listed below, please refer to the AML website [www.LincolnFinancial.com/aml](http://www.LincolnFinancial.com/aml). If you are appointed to sell individual insurance products with Lincoln Financial Group, you are required to receive periodic anti-money laundering training.

Opportunities available for meeting the required training vary depending on the type of appointment you hold with LFG.

- For independent producers selling through a broker-dealer, employed by a federally regulated U.S. bank, or affiliated with a U.S. life insurer – you may already be receiving such training through your company. Please provide us with a copy of your training certification to determine if we will accept it.
- For independent producers affiliated with a broker-dealer or a federally regulated U.S. bank that has a selling agreement with us, Lincoln will rely on the entity's compliance program to satisfy the AML training requirement.

- For independent producers without a broker-dealer, who are not employed by a federally regulated U.S. bank, or affiliated with a U.S. life insurer – you may satisfy the training requirement by taking an AML course from a Lincoln-approved vendor. Please click the LIMRA AML Training link on the homepage of this site to access training at no cost to you.
- For LFN registered representatives – Your training will be included as part of your registered representative Firm Element program.

If you have questions, please click the “Contact Us” button on this site or send an email to [EnterpriseServiceAML@LFG.com](mailto:EnterpriseServiceAML@LFG.com).

Lincoln Financial Group and its producers share an important responsibility to comply with our Anti-Money Laundering program and all applicable anti-money laundering laws. A failure to do so will constitute grounds for discipline up to and including termination. In addition, violation of anti-money laundering laws may expose those responsible to substantial penalties under federal law.