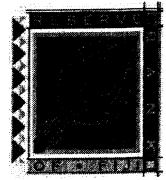




# FijiFIU

Fiji Financial Intelligence Unit



## FIU Advisory # 8a

### Financial Transactions Reporting Act

Reference: 2/2008

Date: 24 November 2008

#### **Re: Identification and Verification of Clients and Beneficiaries of Employer Funded Group Life Insurance Policies**

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##### ***A. Purpose of Advisory***

1. This Advisory applies to insurance companies and intermediaries, namely brokers and agents, when they provide **group life insurance policies** which are taken out by clients to insure the lives of their employees and which:
  - i. cannot be redeemed by the client (employer organization); and
  - ii. is short term in nature, thus has to be renewed regularly.
2. This Advisory does not apply to group life insurance policies which are self funded or are funded by individual persons covered under the policy.
3. The purpose of this Advisory is to provide guidance on how insurance companies and intermediaries can apply the identification requirements to clients of employer funded group life insurance policies.

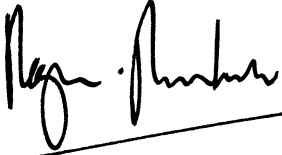
##### ***B. Client Identification Requirements***

4. All life insurers and insurance intermediaries must identify and verify the identity of each life policy holder (client) and each beneficiary under that life policy.
5. ***FIU Policy Advisory # 8*** of 23 January 2008 provides detailed guidance to insurance companies and intermediaries on how to apply these identification and verification requirements.
6. This Advisory should be read and applied in conjunction with Policy Advisory # 8.

##### ***C. Simplifying the Identification and Verification Measures for Employer Funded Group Life Policies***

7. In view of the low risk for money laundering for *employer funded short term group life insurance products*, insurance companies and intermediaries may simplify the client identification and verification measures for these products.
8. Pursuant to section 8(1)(g) and section 8(2)(q) of the FTR Regulations, insurance companies and brokers may rely on a signed declaration from its client (employer) certifying at a minimum the *name, date of birth, residential address and occupation* of all its employees who are covered under the *group life insurance scheme*.

9. Insurance companies and intermediaries are not required to obtain and sight identity documents such as birth certificates, passports, etc for each individual person (employee) covered under an *employer funded group life insurance scheme*.
10. Insurance companies and intermediaries must obtain this signed declaration from its client each time the group life policy is renewed.
11. If a new employee is added to the scheme during the term of the group life policy, insurance companies and intermediaries may rely on a signed declaration from the client certifying at a minimum the new employee's *name, date of birth, residential address* and *occupation*.
12. The above simplified client identification measures will be subject to the following conditions:
  - a) complete identification of beneficiaries should be undertaken by insurance companies or intermediaries on payout of any sums upon death of an insured person (employee) under this scheme;
  - b) when there is suspicion that a client or transaction maybe involved in a money laundering and terrorist financing activity, insurance companies and intermediaries must terminate the above simplified identification measures and undertake enhanced identification and monitoring of the client.
13. Insurance companies and intermediaries must undertake enhanced identification and verification checks of any client and any transaction that it determines is of high risk of money laundering and financing of terrorism.
14. Insurance companies and intermediaries should consult the FIU should they wish to seek further clarification.



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