

# ICA Certificate in Anti Money Laundering (Insurance)



## Syllabus

### Unit 1

#### Money laundering fundamentals

- What is money laundering?
  - What forms of property can be laundered?
  - Why is money laundered?
  - How is money laundered?
- Three-stage model of money laundering
  - Limitations of the three-stage model
- Predicate offences
- What is anti money laundering (AML)?
- The role of the insurance sector in the AML ecosystem

### Unit 2

#### Terrorist financing, proliferation financing and sanctions fundamentals

- What is terrorist financing?
  - How is terrorism financed?
  - What is counter-financing of terrorism (CFT)?
- What is proliferation financing?
  - How is weapons proliferation financed?
  - What is counter-proliferation financing (CPF)?

- How could insurance products be exploited for terrorist financing and proliferation financing?
- Relationship between money laundering, terrorist financing and proliferation financing
- Sanctions
  - Importance of sanctions regimes
  - Key international sanctions regimes
  - Sanctions lists and screening requirements
- Trade sanctions

### Unit 3

#### International AML frameworks

- Understanding the AML legal and regulatory structures
- United Nations Office on Drugs and Crime (UNODC)
- Financial Action Task Force (FATF)
- European Union (EU)
- The Egmont Group and Wolfsberg Group
- National legislation
- Rules, codes, guidance and best practice
  - International Association of Insurance Supervisors (IAIS) guidance

**Unit  
4****Institutional vulnerabilities in financial services**

- Why are financial services vulnerable?
- Retail banking
  - Cash deposits
  - Deposit accounts
  - Loans
  - Credit cards
  - Bank safety deposit boxes
  - Wire transfers
- Correspondent banking
- Private banking services
- Trade finance
- Investment products and services
- Prepaid cards and stored value products
- Money services businesses (MSBs)
- Cryptocurrency exchanges and virtual asset service providers (VASPs)
- Mobile financial services (m-FS)

**Unit  
5****Vulnerabilities in the insurance sector**

- Why is the insurance sector vulnerable to money laundering?
- Life insurance vulnerabilities
  - Single premium life insurance policies
  - Early policy surrenders and cancellations
  - Policy loans and withdrawals
  - Beneficiary designations and changes
  - Third-party premium payments
  - Over-insurance
  - Top-up payments
- General insurance vulnerabilities
  - Premium refunds due to cancellation or premium overpayment
  - Inflated or fraudulent claims
  - Use of broker premium accounts
- Trade sanctions and proliferation vulnerabilities for general insurance
- Reinsurance and complex structures
  - Captive insurance companies
  - Fronting arrangements
  - Offshore insurance arrangements
  - Insurance-linked securities
- Insurance intermediaries and distribution channels
  - Insurance brokers and agents
  - Managing client money and premium accounts
  - Wholesale brokers and Lloyd's market considerations
  - Independent financial advisors (IFAs)
  - Online channels such as aggregators
- Terrorist financing through insurance
- Emerging risks in insurance
  - Insurtech platforms and digital distribution
  - Peer-to-peer insurance models
  - Cryptocurrency-based insurance products

**Unit  
6****Assessing risk and customer due diligence**

- Risk-based approach
  - Risk assessment: the risk factors
  - Risk mitigation
  - Risk monitoring: review
  - Recordkeeping
- Identifying money laundering, terrorist financing and proliferation financing activity
- Customer due diligence (CDD)
- CDD requirements specific to the life insurance industry
- Simplified due diligence
- Enhanced due diligence (EDD)
- High-value policies and early surrenders
  - Complex corporate insurance structures
- Unwrapping beneficial ownership
- Beneficial ownership in insurance arrangements
- Politically exposed persons (PEPs)
- Monitoring client activity
- Monitoring changes in client behaviour in the insurance sector
  - Policy changes and beneficiary amendments
  - Claims patterns and premium payment monitoring
- Sanctions screening in insurance operations
  - The timing of counterparty screening
  - Managing sanctioned persons in existing insurance contracts

**Unit  
7****Suspicious activity detection and reporting**

- Legal obligation to report suspicious activity
- Reporting suspicious activity
  - The suspicious activity reporting process
  - Client confidentiality
- Handling the risk of tipping off
  - Tipping off considerations in claims and policy administration

**Unit  
8****AML programme management and compliance culture**

- The importance of AML policies and procedures
  - The content of a policy
  - Board and senior management oversight
  - Integration with underwriting and claims processes
- AML procedures
  - AML controls across insurance distribution channels
  - Training for insurance agents, brokers, and intermediaries
- Monitoring compliance with the policy and procedures
- Resources
- Culture
  - Building AML awareness across insurance distribution networks