

#1 Received Via Email

I would like to offer my comments in the four areas FinCen requested:

1. Whether the scope of the definition of an insurance company is appropriate in light of money laundering risks in the industry.

I feel that the definition is appropriate due to the fact that they have products with an ability to store money which can be easily laundered. I was pleased to see Treasury did not include simple health care products, where this is no stored money value. This decision made sense.

2. Whether the final rule also should require insurance agents (captive, independent, or both) or any subset of agents, to establish and maintain an anti-money laundering program.

I think the parent company should bear the responsibility for all AML programs and their implementation. That way there is objective oversight of the agent. Without the parent company being responsible, who would oversee whether the agents were in compliance? That would be an enforcement nightmare. Also, as my company's Money-Laundering Compliance Officer, I want to have direct oversight of the people who are responsible for placing us at risk. If there is no monitoring of an agent, they would be free to do whatever they want, without any checks and balances. With this oversight, not only will we be able to ensure compliance with the OFAC and AML provisions, but by performing identity verification, which an agent would not have access to the tools the parent company does, we will also have the ability to prevent false applications being submitted on people who may be deceased, or whose name and SSN don't match, etc. By having the parent company overseeing the agent, we actually are able to screen for more than the required events.

3. Whether the final rule also should require insurance brokers, or any subset of insurance brokers, to establish and maintain an anti-money laundering program.

Same comments as for the agent. The parent company should take the responsibility to ensure the brokerage that represents them meets the parent company's requirements.

4. Whether the factors that should be considered as part of an insurance company's risk assessment are appropriate.

I don't see a problem with the items mentioned.

Thank you for giving the insurance companies an opportunity to comment on the proposed regulations. This is a very "common sense" approach to addressing the problem. What I have seen so far in the proposed rules, is not overly burdensome nor expensive to implement. Thank you.

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