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October 4, 2002

**Via E-Mail**

Financial Crimes Enforcement Network (FinCEN)  
U.S. Department of the Treasury  
Office of Chief Counsel  
P.O. Box 39  
Vienna, Virginia 22183  
regcomments@fincen.treas.gov  
Attention: PRA Comments – SAR – Securities and Futures Industry Form

To the Office of Chief Counsel of FinCEN:

We write on behalf of the American Council of Life Insurers (“ACLI”), the largest trade association in the United States representing the life insurance industry. Our members consist of three hundred ninety-nine (399) legal reserve life insurance companies operating in the United States. Of these companies, seven (7) are domiciled in Canada. These 399 companies account for 76 percent of the life insurance premiums, 75 percent of annuity considerations, 46 percent of disability premiums, and 65 percent of long-term care premiums in the United States among legal reserve life insurance companies. ACLI member company assets account for 75 percent of legal reserve life company total assets.

Many of the member companies of the ACLI offer and distribute variable annuities, variable life insurance, and mutual funds directly or through affiliated and independent broker-dealers. Our member companies and their broker-dealer affiliates appreciate the opportunity to comment on the Form. We support the public policy and enforcement goals underlying the USA PATRIOT Act. It is important that our financial markets maintain their vitality and are not weakened by money laundering activities.

Life insurers are one of the new financial institutions on the federal anti-money laundering regulatory landscape. Because of that fact, we suggest that the Form contain information specific to the insurance industry. We specify our suggestions below:

- Part II, number 23, we suggest the current “q” be changed to “Variable Life Insurance or Variable Annuity” and the existing “q” becomes “r” and the existing “r” becomes “s”;
- Part II, number 30, we suggest adding to “k” the text “structuring” so the box would read “Money laundering; structuring”;

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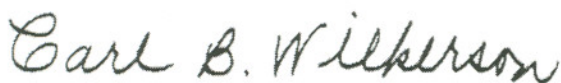
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- Part III, number 30, we suggest adding a new box "Insurance Fraud", and renumbering existing lettered boxes accordingly;
- Part III, number 31, the current "q" be changed to "State insurance regulator" and the existing "q" be designated as "r" and the current "r" be designated as "s";
- Part IV, number 49, we suggest a new inquiry asking for an insurer's NAIC Company Code, this could be accomplished by altering the existing text to read "Nat'l. Futures Ass'n. ID number/NAIC Company Code"; and
- Part IV, number 51, we suggest adding to "aa" the word "variable" before "annuities" to properly describe the nexus of the broker-dealer to the product, thus, "aa" would read "Variable life insurance or variable annuities broker-dealer".

If the Form has insurance-specific questions, it will be much easier to understand and to complete by the insurance industry. Furthermore, making the changes we suggest will enhance another part of the Form specific to insurance (*see* Part IV, number 51, aa, lists "variable life insurance or [variable] annuities broker-dealer").

We appreciate your attention to our views. Kindly address any questions concerning our submission to our attention (carlwilkerson@acli.com)(202-624-2118) (victoriafimea@acli.com) (202-624-2183).

Cordially,



Carl B. Wilkerson



Victoria E. Fimea