



Advisory No:	RS-2024-018
Classification:	Regulatory and Supervisory Advisory
Date:	21 August 2024

INSURANCE COMMISSION ADVISORY

TO : ALL PRE-NEED COMPANIES AND HEALTH MAINTENANCE ORGANIZATIONS (HMOS)

SUBJECT : SECTORAL RISK ASSESSMENT

The Insurance Commission, as Supervising Authority, is mandated to assist the Anti-Money Laundering Council (AMLC) in supervising the implementation of the Anti-Money Laundering Act (AMLA), as amended, and the Terrorist Financing Prevention and Suppression Act (TFPSA), and their respective Implementing Rules and Regulations (IRR), and other AMLC issuances and Insurance Commission (IC) issuances.

To be able to focus supervisory efforts and allocate resources where the risks of Money Laundering (ML), Terrorist Financing (TF), and Proliferation Financing (PF) are higher, it is necessary to identify, assess, and understand the ML/TF/PF risks to which the regulated entities supervised by this Commission are exposed so that IC can have more impact at the tactical level to assess the ML/TF risks per sector and define the scope and depth of its inspection.

A risk-based strategy for Anti Money Laundering and Combating Financing of Terrorism (AML/CFT) and Proliferation Financing (PF) will ensure that appropriate measures commensurate with those risks are adopted to mitigate them effectively.

All Pre-Need Companies and Health Maintenance Organizations (HMOs) may access and download the AML/CTPF Questionnaire through this link: [SRA Questionnaire](#)¹. The following shall be submitted:

- a. Duly accomplished SRA Questionnaire in **excel file (.xlsx)**; and
- b. Duly accomplished SRA Questionnaire in **portable document format (pdf) file**.

¹ <https://bit.ly/4dlfS9V>



The questionnaire shall be truthfully and completely answered by the Regulated Entities mentioned above which shall be submitted through electronic mail: aml@insurance.gov.ph **on or before 12 September 2024.**

For your strict compliance


REYNALDO A. REGALADO
Insurance Commissioner



**ANTI-MONEY LAUNDERING COUNCIL - Sectorial Risk Assessment
IC Data/Information Collection**

AML/CTF Questionnaire

Data Requirement

Prepare a list of all products/services being offered

Data on total turnover per product classification

Questions

1. List of all products and services according to classification/category.

2. Please use the template below.

For Pre-Need Companies

Year	Product Classification	Premium Income	No. of Issued Policies	No. of Outstanding Policies as of year end	No. of Policies Surrendered/ Cancelled	No. of Policies Lapsed	No. of Policies with Changed Beneficiaries
2020							
2021							
2022							
2023							
2024 (1st Qtr)							

(NOTE: Covered Period is January 2020 - April 2024)

For HMOs

Year	Product Classification	Premium Income/ Membership Fee Income	No. of Issued Policies	No. of Outstanding Policies as of year end	No. of Policies Surrendered/ Cancelled
2020					
2021					
2022					

2024 (1st Qtr)							

(NOTE: Covered Period is January 2021 - April 2024)

Effectiveness of Compliance Function

13. Please provide the disciplinary actions imposed by the company against its officers and employees for breaching the compliance policy.

Effectiveness of Suspicious Activity Monitoring and Reporting

14. Does the company's AML monitoring and Suspicious Transactions reporting system/s include Politically Exposed Persons (PEPs) screening?

Level of Market Pressure to Meet AML Standards

Statistics on PEPs and other risky customers international transactions, transactions with offshore centers/tax havens, high risk regions.

15. Please use the template below.

Year	No. of PEPs	No. of Other High Risk Customers	No. of International Transaction (Indicate Country)	No. of Transaction with Offshore Centers/High Risk Regions/Tax Havens (Indicate Country)
2021				
2022				
2023				
2024 (1st Qtr)				

(NOTE: Covered Period is January 2021 - April 2024)

["Politically Exposed Person" (PEP) refers to a natural person who is or has been entrusted with prominent public positions in the Philippines or in a foreign State, including heads of state or government, senior politicians, senior national or military

16. What are the financial inflows and outflows into the Philippines?

17. What are the major sources of financial flows into the company from outside the Philippines, if any?

18. Does the company have cross-border relationships that require it to company with international AML standards? If yes, enumerate countries which the company had cross border transaction/s with.

19. What are the measures adopted by the company to monitor cross-border transactions including, but not limited to client profiling?

20. Does the company have mechanisms to identify, record or report complex, unusually large and suspicious transaction? Please provide a description thereof.

officials, senior executives of government or state owned or controlled corporations and important politically part officials]

["International Transactions" refer to premium payments and disbursements remitted from/to abroad.]

Availability and Access to Beneficial Ownership Information

21. Does the company require clients to disclose the identities of their beneficial owners?
22.If yes, what are the steps undertaken by the company to verify the identities of said beneficial owners?

Availability of Reliable Identification Infrastructure

23. Does the company have rules/policies on client profiling?
24. How does the company profile/monitor each client? Describe the risk profiling process; documentary requirements; and/or procedures in updating and verifying client information.

Availability of Independent Information Sources

25. Does the company have comprehensive and reliable historical financial information and other information about clients? Please specify.
26.Is this information easily accessible to the company?

Data on total volume and average transaction size for each product/service/channel

The amount of associated assets/liabilities/turnover can serve as an indicator of the volume.

Average transaction size doesn't need to be

27. Please use the template below.

Year	Product Classification	Type of Intermediary/Distribution Channel	Total Peso Amount (Volume; actual premiums paid) Sold per year	Average Transaction Size Per Policy Sold/Issued
2021				
2022				
2023				

Insert table for more...								
TFS-related Guidance/Reminders	Kindly provide the newly-added parameter or scenario in the transactions monitoring system, if any, and the type of alerts that is expected to be generated?	Which of the IC guidelines/reminders updated and/or expanded the scope of compliance testing and audit?	Which of the IC guidelines/reminders were included in the training modules?	Which of the IC guidelines/reminders prompted client database clean-up or review and/or updating of customer records, profile, and tagging of risk?	Which of the IC guidelines/reminders resulted in freezing of accounts or prohibition of dealings with certain types of customers/trans actions?	Details of freezing of accounts and/or prohibition of dealings with certain types of customers/transactions	Other actions taken by the ICREs	
1.	(for example, alerts related to high-risk customers/accounts such as sanctioned individuals or high-risk jurisdictions)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	[kindly indicate total amount frozen and TF resolution no.] [kindly indicate types of customers and transactions]		
2.								
Insert table for more...								

Survey to Covered Persons											
Sanctions Screening	Timing of screening Indicate the applicable timing of screening using the following codes:	Frequency of Updating the Database on UN Sanctions List	Frequency of Scrubbing Against Sanctions List	Personalities Subjected to Sanctions Screening	Matching of Sanctions			Total No. of Hits/Alerts	No. of Name Matches	No. of False Matches	
					Sanctions List Database maintained by ICREs	If Electronic, please indicate the fuzzy logic, parameters for matching	Kindly indicate the percentage of matching.				
1.	DER=During establishment of relationship PFT= Prior to first transaction FET = For every transaction WTU = Whenever there are updates [kindly indicate one or more timing, as applicable]	(Daily = D, Monthly = M, Quarterly = Q, Annually = A, Real-Time when updates are received = RT)	(i.e., upon account opening, account updating, transactional, whenever there are new updates to the sanctions list, etc.)	(i.e., email communication; issuance of memorandum to all concerned units; advisories/bulletins posted in the intranet; during meetings/regular huddles; during audit and compliance testing; others-please specify)	(Kindly indicate if for customers, beneficial owners, authorized signatories, trustee, trustor, beneficiaries, etc.)	(Y/N)	(i.e 70% matched with sanctioned personalities)				
2.											
Insert table for more...											
Sanctions Screening	Target Match (If the individual or entity you are dealing with matches all the information on the consolidated list and is identified to be the designated person.)										
	No. of Target Matches	No. of Accounts Frozen and Reported to AMLC	Date of Freezing	Date Reported to AMLC	Amount	No. of Prohibited accounts (for new/prospective customers)	Date Reported to AMLC				
1.											
2.											
Insert table for more...											
Sanctions Screening	Potential Target Match (refers to an individual or entity whose identity matches most, but not all, of the identifier information provided in the UNSC Consolidated List or those locally designated for terrorist financing or proliferation financing)						No. of Accounts Held For EDD	No. of Accounts Closed	No. of STRs reported to AMLC	No. of Accounts Retained Subject to Increased Monitoring	No. of Accounts Retained Subject to Increased Monitoring
	No. of Target Matches	No. of Prohibited/Denied New Customers	No. of Denied Transactions (for other transactions and other occasional transactions)	No. of Accounts Frozen and Reported to AMLC	Date of Freezing	Date Reported to AMLC (if not reported, kindly indicate NR)					
1.											
2.											
Insert table for more...											

Suspicious Transaction Report (STR)

Nature/Reason of Suspicion (Kindly include only those STRs related to TF and PF)	No. of STRs Filed	No. of Accounts Involved	Total Amount of Transactions Involved, if any	No. of Accounts Subject to FO Subsequently	Subsequent Actions Taken on the Accounts (Tagged as high risk, included in watchlist, etc.)
Insert table for more...					

Institutional Risk Assessment (IRA)					
Covered Person	Included assessment of risk exposures to TFS?	Risk Assessment related to TFS (High, Moderate, Low)	Adopted policies and controls related to TFS?	Date/Period of implementation	Actions taken to disseminate result of TFS IRA and the issuance of Policies related thereto
1.	(Y/N)		(Y/N)		
2.					
Insert table for more...					

For further inquiries/clarifications, please contact:

Insurance Commission	
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Contact No.:	(02)-85238461-70 loc. 138