

Republic of the Philippines Department of Finance INSURANCE COMMISSION 1071 United Nations Avenue, Manila



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: <u>SRA Questionnaire</u>¹. The following shall be submitted:

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







The questionnaire shall be truthfully and completely answered by the Regulated Entities mentioned above which shall be submitted through electronic mail: amld@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					Questions							
Prepare a list of all products/services being offered	1. List of all pro	of all products and services according to classification/category.										
	2. Please use t	the template belo	w.									
	For Pre-Need	Companies										
		Year	Product Classification	Premium Income	No. of Issued Polices	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										
oata on total turnover		2024 (1st Qtr)										
per product classification	(NOTE: Covered Pe	eriod is January 2020	- April 2024)									
	For HMOs											
								No. of	No. of Policies			

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

	1									-
		2023								-
		2024								-
		2024 (1st Qtr)								-
	(NOTE: Covered Pr	eriod is January 202	0 - April 2024)							1
			stered with Anti-Money Launder	ring Council (AM	1.0/2					
Comprehensiveness	o. is the compa	arry arready regi	stered with Anti-Money Laurider	ring Council (Alvi	LC)?					
of AML Legal	4. What is the	AML monitoring	system used by the company?	Please describe	briefly.					
Framework (Information on AML										
monitoring system, data	5. How many ye	ears does the c	ompany store records of custon	ner identification	and transaction	documents?				
collection systems in										
Pre-Needs and HMOs)										
	6. Are there exi	isting rules or pr	olicies on confidentiality in repor	rting suspicious o	or other relevan	t transaction?				
		g raido oi pi	ss.s on confidentiality in repor	ing suspicious (oulei relevan	t transaction?				
	7. Please descr	ribe the compar	y's staff vetting and training pro	ograms to its offic	cers and employ	yees?				
	breaches.	de the company	's statistics from 2021 to April 2	2024 on integrity	breaches by its	officers and em	ployees, and th	e disciplinary a	ctions taken to re	ectify su
	breaches.									
Integrity of Staff in	9. Please provide the number of administrative enforcement action taken by the Insurance Commission against the company, and/or its officers and employees.									
Pre-Need and HMOs										
	10. Please prov	vide the nature a	and description of criminal actio	ons relating to mo	ney laundering	instituted again	st the company,	and/or its office	ers and employe	es.
	11 Has the ser	mnony boon obs	ergod/oppyisted of a figure is less			51				
	11. Has the con	прапу вееп спа	arged/convicted of a financial cr	ime (estara, tax	evasion etc.)? F	Please provide ti	ne nature and st	tatus, if any.		
	12. Please use	the template be	elow.							
			Employee Classification (e.g.	Total No. of	Total No. of	% of				1
ABBL 12 1 1 1		Year	new employees; regular	Employees per	employees	employees	Topic and	Date of	Organizer/	
AML Knowledge in Pre-need and HMOs		5000 PG 24 T T T T T T T T T T T T T T T T T T	employees; board of directors; agents; officers; etc.)	classification	with AML	with AML	Venue	Training	Provider	
Staff knowledge in Pre-		2020	agents, officers, etc.)	1	training	training				-
need and HMOs		2020				-				-
(statistics in AML		2021			(**************************************	<u> </u>				1
training given to staff,					-					1
statistics on training by		2022								1
authorities to Pre-need]
companies, HMOs, and		2023								
others)	(

	1	2024 (1st Qtr)					T					
	(NOTE: Covered Pe	eriod is January 2021	- April 2024)									
	13. Please prov	vide the disciplin	ary actions imp	osed by the con	nany against it	s officers and en	mployees for hre	aching the com	olianco policy			
Effectiveness of		Please provide the disciplinary actions imposed by the company against its officers and employees for breaching the compliance policy.										
Compliance Function												
	14. Does the co	Does the company's AML monitoring and Suspicious Transactions reporting system/s include Politically Exposed Persons (PEPs) screening?										
Effectiveness of Suspicious Activity		the same way to the entering and each of each										
Monitoring and												
Reporting												
	15. Please use	the template be	ow.									
Level of Market												
Pressure to Meet AML Standards												
Statistics on PEPs and		Year	No. of No. of Other High Risk No. of International No. of Transaction with Offshore Centers/High									
other risky customers			PEPS	Custo	omers	Transaction (Ir	ndicate Country	Risk Regions/	Tax Havens (Ind	icate Country)		
international		2021		1								
transactions,		2021										
transactions with		2023										
offshore centers/tax havens, high risk		2024 (1st Qtr)										
regions.												
0	(NOTE: Covered Pe	eriod is January 2021	- April 2024)									
["Politcally Exposed Person" (PEP) refers	16. What are th	e financial inflow	s and outflows	into the Philipp	nes?							
to a natural person who	17. What are th	ne major sources	of financial flo	ws into the com	oanv from outsi	de the Philippine	es. if any?					
s or has been entrusted with prominent public						* to 5 € 1000 to 1000						
positions in the	18. Does the co	ompany have cro	ss-border relat	ionships that red	quire it to compa	any with internat	tional AML stand	lards? If yes, en	umerate countri	es which the cor		
Philippines or in a	cross border tra	ansaction/s with.										
foreign State, including heads of state or	19. What are th	e measures ado	pted by the co	mpany to monito	r cross-border	transactions incl	uding, but not li	nited to client pr	ofiling?			
government, senior	20. Does the co	ompany have me	chanisms to id	entify, record or	report complex	unusually large	and suspicious	transaction? PI	ease provide a c	description there		
politicians, senior		,,			. Sport complex	, andodany large	and suspicious	transaction: F1	case provide a t	description there		
national or military	l											

officials, senior executives of government or state owned or controlled corporations and important politically part officails] ["International Transactions" refer to premium payments and disbursements remitted from/to abroad.]											
	04 D	s the company require clients to disclose the identities of their beneficial owners?									
Availability and	21. Does the co	ompany require	clients to disclose the identities	of their beneficial owners?							
Access to Beneficial	22.If ves. what	are the steps ur	dertaken by the company to ve	erify the identities of said benefic	ial owners?						
Ownership	, , , , , , , , , , , , , , , , , , , ,		administration by the company to ve	any the identifies of said perions	Mai OWITOTS:						
Information											
	23. Does the co	ompany have rul	les/policies on client profiling?								
Availability of Reliable		ompany navo ra	corponoico on onem proming.								
Identification	24. How does t	the company pro	file/monitor each client? Descri	be the risk profiling process; do	cumentary requirements; and/or	r procedures in updating and ve	rifvina client				
Infrastructure	information.	. How does the company profile/monitor each client? Describe the risk profiling process; documentary requirements; and/or procedures in updating and verifying client formation.									
	25. Does the co	ompany have co	mprehensive and reliable histor	rical financial information and							
Availability of			Please specify.								
Independent											
Information Sources	26.Is this inform	nation easily acc	essible to the company?								
	27. Please use	the template be	low.								
Data on total volume											
and average											
transaction size for											
each			<u> </u>	Type of	Total Peso Amount (Volume;	Average Transaction Size Per					
product/service/chan		Year	Product Classification	Intermediary/Distribution	actual premiums paid) Sold	Policy Sold/Issued					
nel				Channel	per year	pr (more access ₹ 0					
The amount of											
associated assets/liabilities/turnove		2021									
r can serve as an		2021									
indicator of the volume.		2022									
		2022									
Average transaction		2023									
size doesn't need to be		2020									
•	1				I.	1					

precise and can be estimated based on sampling	(NO	2024 (1st Qtr) TE: Covered Period is January 2021	- April 2024)						
Definition: in-depth focus on individual sectors and vulnerabilities therein		Please describe the sector to	he company belongs to and	its vulnerabil	ities to Money Laund	ering/Terrorist Financing	(ML/TF	F).	
What record keeping systems are available for each of the individuals sectors?	30.	Does the company have a r	ງ system that the company ເ	tilizes/implen					
How easy is it for authorities to get access to these record keeping system?		Are there restrictions on acc			The second section of the section of the second section of the section of the second section of the second section of the section of th	5.5.7.7.54.75.4 € /00/	oriefly.		

K 2 125

			Surve	y to Industry A	ssociations			
TFS-related Guidance/Reminders	Are you aware of these guidelines/reminders issued by the IC?	Kindly indicate the sources of the information	Have you disseminated these guidelines/remi nders to your branches/ offices or personnel?	guidelines/remi	Have these guidelines/remi nders been considered in the institutional risk assessment (IRA)?	Based on IRA, have these resulted in an increase/decrea se/no impact in the ML risk rating of the institution?	Which of the IC guidelines/reminders warranted changes or enhancements to policies and procedures?	Which of the IC guidelines/reminders resulted in
1.	(Y/N)	(i.e., IC website, industry association, publication, others)	(Y/N)	(i.e., email communication; issuance of memorandum to all concerned units; advisories/bulletin s posted in the intranet; during meetings/regular huddles; during trainings; during audit and compliance testing; othersplease specify)	(Y/N)	(Y/N)	(Y/N)	(Y/N)
2.								

Insert table for more									
TFS-related Guidance/Reminders	Kindly provide the newly-added scenario in the transactions moni any, and the type of alerts that is generated?	toring system, if	Which of the IC guidelines/reminders updated and/or expanded the scope of compliance testing and audit?	Which of the IC guidelines/remi nders 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?	and/or prohibit with certa customers/t	ing of accounts ion of dealings in types of transactions	Other actions taken by the ICREs
1.	(for example, alerts related to h customers/accounts such as sa individuals or high-risk jurisdicti	anctioned	(Y/N)	(Y/N)	(Y/N)	(Y/N)	[kindly indicate frozen and TF r [kindly indicate customers and	resolution no.]	
2.									
Insert table for more									

K A Section

					Survey to Co	vered Persons	9					
						Mat	ching of Sanct	ions				
Sanctions Screening	Indicate the app screening using	f screening blicable timing of ng the following des:	Frequency of Updating the Database on UN Sanctions List	Frequency of Scrubbing Against Sanctions List	Personalities Subjected to Sanctions Screening	Sanctions List Database maintained by ICREs	If Electronic, please indicate the fuzzy logic, parameters for matching	Kindly indicate the percentage of matching.	Total No. of Hits/Alerts	No. of Na	me Matches	No. of False Matches
1.	relati PFT= Prior to FET = For ev WTU = When upo [kindly indicate o	establishment of onship first transaction ery transaction never there are dates ne or more timing, plicable]	(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/bulleti ns posted in the intranet; during meetings/regular huddles; during trainings; during audit and compliance testing; othersplease specify)	(Kindly indicate if for customers, beneficial owners, authorized signatories, trustee, trustor, beneficiaries, etc.)	(Y/N)	(i.e 70% matched with sanctioned personalities)				
Z. Insert table for more												
insert table for more		Target Matel	o (If the individual	or antituusus and	de alle en colthe en ata	han all the lafe and		solidated list and i	- 1-1	the dealers to the		
Sanctions Screening	No. of Targ	get Matches	No. of Accour	its Frozen and to AMLC	Date of Freezing	Date Reported to AMLC		ount	No. of Prohibite new/prospecti	d accounts (for	Date Reported	to AMLC
1.				_								
2.												
Insert table for more												
	Potential Ta information pr	rget Match (refers ovided in the UNS	C Consolidated L	or entity whose id ist or those locall financing)	entity matches mo y designated for to	est, but not all, of errorist financing	the identifier or proliferation				No. of Accounts	
Sanctions Screening	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)	Amount	No. of Accounts Held For EDD	No. of Accounts Closed	No. of STRs reported to AMLC	Retained Subject to Increased Monitoring	Accounts Retained Subject to Increased Monitoring
1.												
2.												
nsert 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					

	Ins	stitutional Risk Assessment (I	RA)		
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	1	
Email address:	amld@insurance.gov.ph	
	corpgovunit@insurance.gov.ph	
Contact No.:	(02)-85238461-70 loc. 138	