

## **Anti-Money Laundering Training**

### **Lesson Two**

#### **“Know Your Customer” Procedure and Due Diligence Activities**

“Know Your Customer” is a fundamental principle used in complying with the obligations of due diligence to decrease the possibility of you or Senior Life being used to facilitate money-laundering activities. The following information should be collected concerning the client:

- Name
- Date of Birth
- Physical address (in addition to post office box)
- Social Security Number

The majority of clients are not involved in money laundering so it is important to be able to identify routine transactions versus suspicious transactions. A client profile provides:

- The ability to identify appropriate transactions and transactions requiring more security
- To detect a pattern of activity that is inconsistent with the client’s stated goals
- To detect inconsistent patterns or transactions
- To anticipate activities that may or may not be related to money laundering and may require further investigation

Federal rules require all records maintained under AML regulations be kept five (5) years and be reasonably accessible. If a state’s regulations require the records be maintained for a longer period then they must be maintained for the longer time period. As an agent, be sure to keep all customer identification you obtain in the client’s file along with any information you provided to Senior Life. By documenting your actions, you protect yourself from possible penalties.

As an agent your responsibility does not end after the initial sale. If any of your future interactions with the client seem suspicious, notify Senior Life’s Market Compliance Department. Learn enough about the client’s financial goals and situation to identify if a particular transaction makes sense for the client.

**Continue to Lesson Three.**