

Holistic AML Risk Monitoring Streamlines and Strengthens Compliance for Insurance and Investment Company



Over time, The Empire Life Insurance Company, a Canadian life insurance and investment company, had implemented a fragmented approach to anti-money laundering (AML) transaction and risk monitoring. Risk assessments were performed manually using legacy individual policy systems. This approach, combined with increasing regulations and money laundering concerns, made risk monitoring a burden on the compliance team. AML Risk Manager from Fiserv helped Empire Life implement an objective risk ranking system to increase its compliance confidence.

Client Profile



Since 1923, The Empire Life Insurance Company has been helping Canadians get the investment, life insurance and group benefits coverage they need to build wealth, generate income and achieve financial security. With a vision to be Canada's most convenient insurance and investment company, Empire Life offers individual and group life and health insurance, investment and retirement products, and mutual funds through a wholly owned subsidiary. The company manages more than \$18 billion in total assets.

Challenge

Empire Life's system-by-system approach to transaction monitoring and risk management made it a challenge to keep up with changing regulations. High-risk clients were identified and researched manually, and different products were managed by different policy administration systems. The life insurance company needed a more holistic, objective and automated approach to better meet its obligations.

Solution

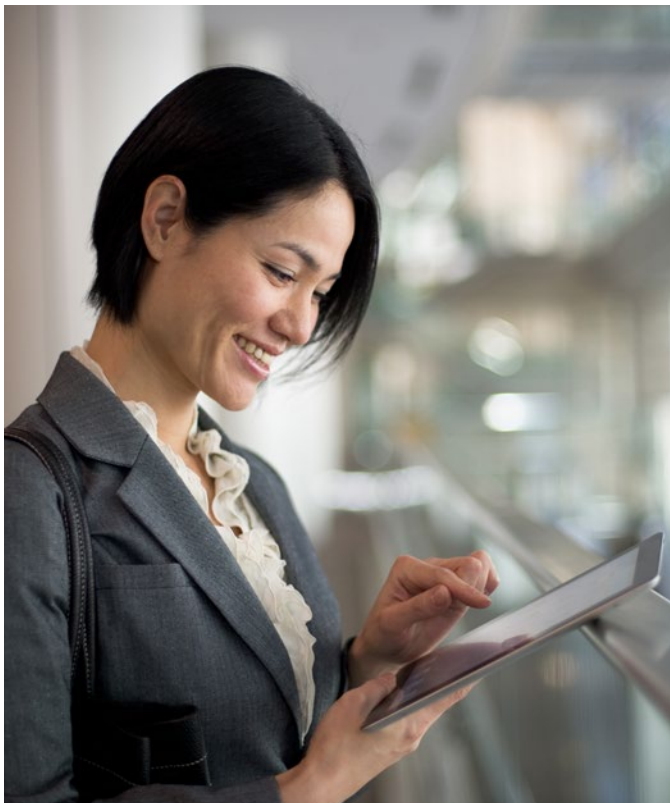
Empire Life implemented AML Risk Manager from Fiserv for watch list filtering and transaction monitoring. Watch list filtering screens customer data against sanctions, politically exposed persons (PEP) and other lists, and transaction monitoring automatically screens customers according to their activities. Empire Life also leveraged the customer risk-rating capabilities in AML Risk Manager. Now, Empire Life has tighter and auditable risk management practices, without spending as much time on monitoring or investigations.

Proof Points

AML Risk Manager simplified and strengthened Empire Life's approach to AML risk management. The company can see all of its policies and alerts in one place and investigate transactions without referring to spreadsheets. Risk-based due diligence and automation saved valuable staff time and refocused the company's compliance efforts toward its highest-risk clients. The compliance team can see patterns and take immediate action, and has more confidence in the program overall.

“When a regulator comes in to audit us, we can clearly demonstrate a client's risk ranking.”

Christine Jewell
Director, Compliance and Chief Compliance Officer
The Empire Life Insurance Company



The Empire Life Insurance Company had client data in a number of client administration systems. Transaction monitoring and risk management was a time-consuming manual process. In 2016, Empire Life decided to streamline its processes.

Streamlining and Tightening Protections

Empire Life decided to look for advanced technology to more efficiently meet regulations, reduce risk and streamline processes.

They chose AML Risk Manager because it could monitor transactions across products, channels and geographies. Rather than monitor multiple systems, Empire Life can turn to one tool for risk-rating, alerting, case management and regulatory reporting.

In 2020, the insurance company launched transaction monitoring, followed by watch list filtering in 2021. Watch list filtering uses advanced analytics and a robust alert system to help Empire Life respond quickly and manage AML/ATF risk. The tool automatically screens client data against sanctions lists. It also creates a risk rating for each policy owner. The rating informs detection and screening scenarios, and ensures high-risk policy owners get the right level of attention.

Risk-based due diligence utilizes objective criteria for each level of risk, which could easily be explained to an auditor. Since the system automatically categorizes clients, it eliminates manual effort.

“When a regulator comes in and audits us, we can clearly demonstrate a client's risk ranking,” said Christine Jewell, Director, Compliance and Chief Compliance Officer for Empire Life.

To the compliance team's surprise, the objective ranking system decreased the number of clients identified as “high-risk”. That reduced the workload for the compliance team and helped it focus its monitoring efforts on clients with the highest risk.



It solved the problem of having to jump into different systems to piece the information together. With AML Risk Manager, the information is already put together for you.”

Ian Brown
Manager, Compliance
The Empire Life Insurance Company

AML Risk Manager monitors transactions and events based on known money laundering scenarios, like lump sum payments or early withdrawals. If unusual activity is detected, the appropriate compliance team is alerted.

Empire Life asked Fiserv to create custom scenarios to cover specific risks. “We were interested in finding a way to more easily identify when a policy receives a payment from an unexpected third party. This functionality didn’t exist in AML Risk Manager at the time, but Fiserv found a way to make that happen for us,” explained Ian Brown, Manager, Compliance for Empire Life.



Holistic Monitoring Improved Operational Performance

Empire Life also found it beneficial to have a centralized system with one view of risk. For example, being able to look at all of a client’s transactions, alerts and policies in one place eliminated the need to aggregate data into spreadsheets. This reduced the potential for errors and made the process much more efficient.

“It solved the problem of having to jump into different systems to piece the information together,” Brown said. “With AML Risk Manager, the information is already put together for you.”

The standardization and consolidation of AML protections had positive, cascading effects. Implementation drove additional value across the entire organization because it prompted a further reorganization of client data.

Peace of Mind

The streamlined approach and advanced analytics of AML Risk Manager has provided the compliance team with further assurance.


“The system has helped us to be more effective. We can demonstrate why we’re filing, that we’re filing the right information and we haven’t missed anything,” Jewell said.

Empire Life’s efforts were strongly supported by the knowledge and experience of the Fiserv team, as much as the system itself. Fiserv provided training and support for the compliance team, the IT team, and business units that use the system.


“The help we got from Fiserv was top notch,” said Brown.

Connect With Us

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