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AML Risk Manager for Life Insurance

Ensure Compliance, Reduce Risk and Optimize Operational Efficiency Through Accurate Detection of Money Laundering

@ the speed of life®

Life insurers must be diligent in establishing effective AML programs, or they risk noncompliance with regulations and significant reputational harm. To mitigate those risks, compliance officers can arm themselves with processes and technology suited to the specific needs and risks of life insurance firms.

With its proven track record in the life insurance industry, AML Risk Manager from Fiserv can help quickly and cost effectively meet the challenges of risk mitigation.

AML Risk Manager offers a comprehensive set of integrated capabilities to effectively manage money-laundering risk and keep operational costs in check.

Providing effective anti-money laundering (AML) risk management is complex and costly. Controls and regulations are constantly evolving to keep up with new and more sophisticated financial crime schemes.

The stakes are high. Regulators have levied billions of dollars in fines. In 2020, global regulators imposed $10.6 billion in penalties related to compliance issues, most of which were related to AML.

Regulations continue to tighten. The U.S. Anti-Money Laundering Act of 2020, passed in 2021, is a significant legislative effort to curb illegal financial transactions.

Recent Financial Transactions and Reports Analysis Centre (FINTRAC) guidance in Canada specifically focuses on life insurance companies and brokers.

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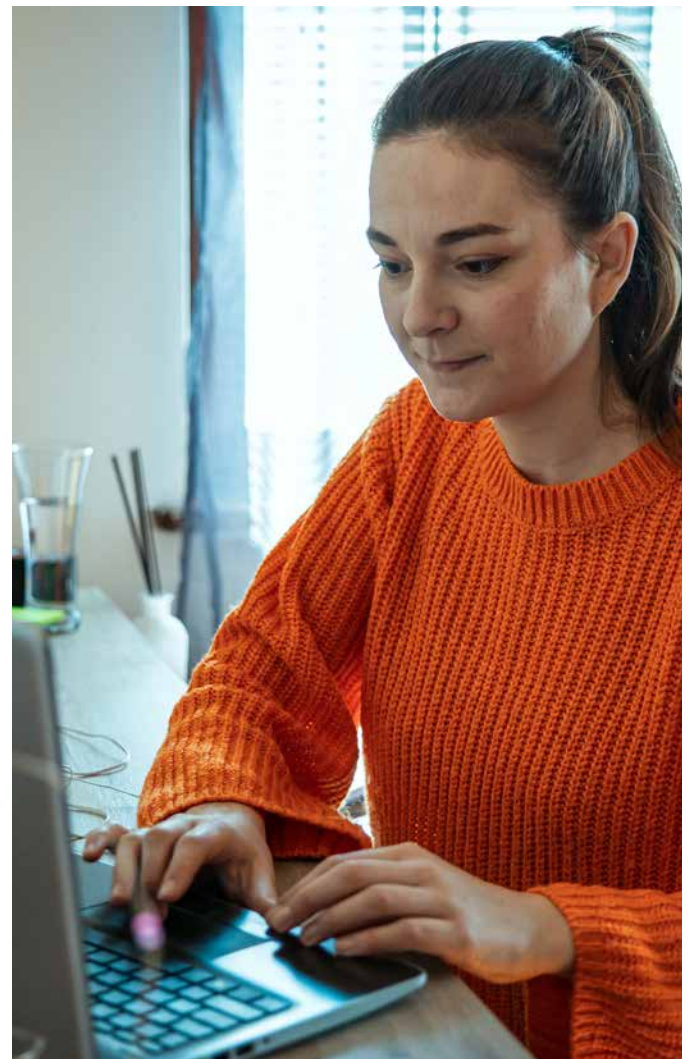
Challenges Affecting Your AML Program

Criminals
Increasingly sophisticated and strategic crime schemes

Business
Rising operational costs versus increasingly difficult risk mitigation

Regulators
Tightening requirements for risk management

Technology
Evolving, complex technologies and channels

Powerful Behavioral and Risk Monitoring

AML Risk Manager is a comprehensive AML solution that goes beyond traditional transaction monitoring to ensure regulatory compliance. You can screen, risk-rate and collect necessary know your customer (KYC) data for all transactions and manage risk through ongoing monitoring and due diligence. Advanced analytics minimize false positives and prioritize alerts, enhancing operational efficiencies.

AML Risk Manager provides innovative monitoring of transactions and events involving policies, parties and products based on known insurance money-laundering scenarios, such as lump-sum payments, early withdrawals, frequent address changes or high-risk payment methods.

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Key Functionality

- Advanced detection techniques to identify more suspicious activity and reduce false positives
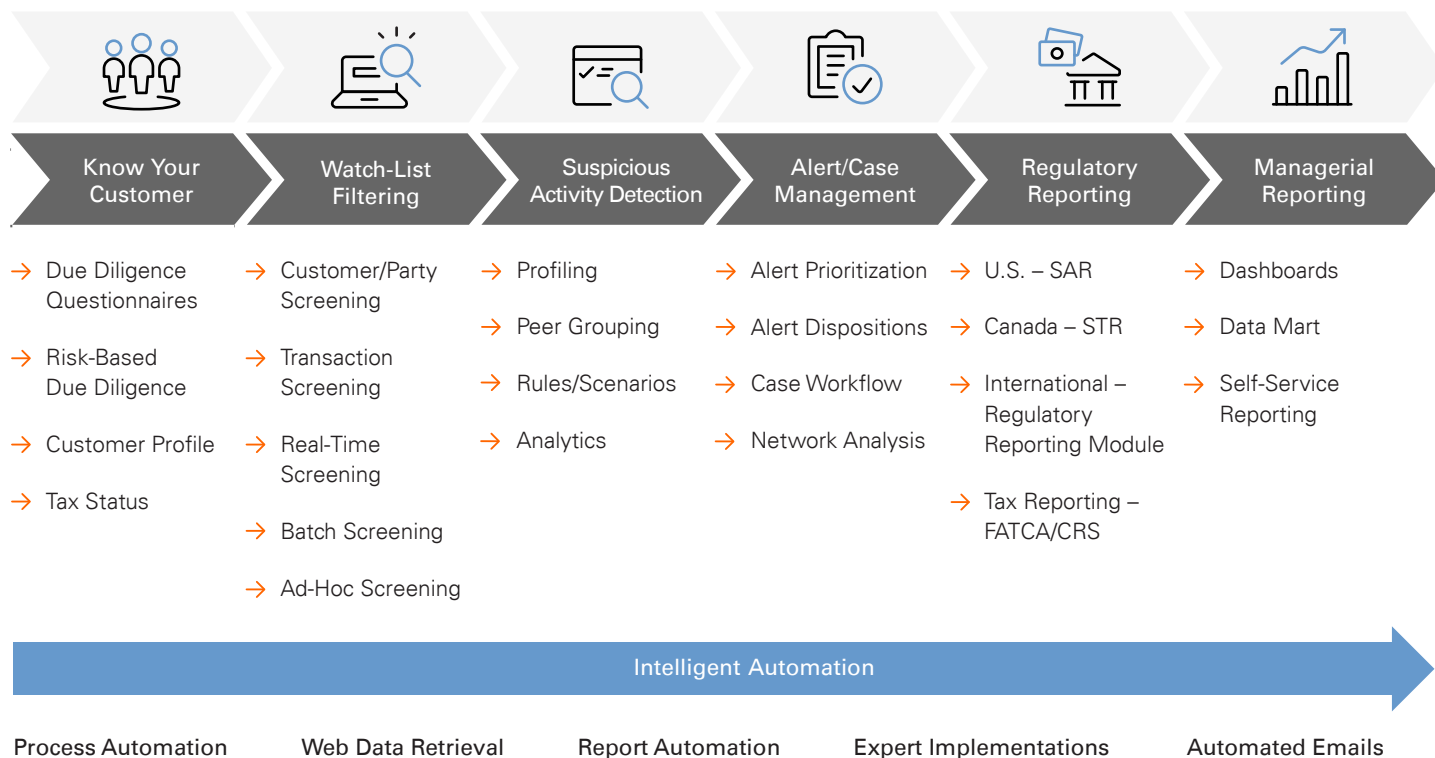
- KYC scoring used for initial, ongoing and enhanced due diligence

- Robust customer-profiling capabilities

- Superior watch-list matching capabilities, including high-volume processing

- Automated management and regulatory reporting and dashboards

- Flexible platform that adapts to regulatory changes and optimizes operational efficiency

Advanced Analytics

AML Risk Manager takes a multilayered approach to detect financial crime through behavioral profiling, advanced analytics and risk scoring as well as real-time, batch and peer-group analysis. The techniques can be used individually or in combination and can be applied to monitor entities and events, such as policyowners, insured parties, beneficiaries, transactions and agents.

The solution generates alerts using multiple detection techniques and scores them using machine-learning models, informed by historical outcomes of investigations, to accurately identify alerts as productive or nonproductive and then prioritize and process them appropriately. In combination with the AML Risk Manager alert investigation portal, analysts can quickly and easily see the critical alert information necessary for holistic analysis and quick, accurate decision making. That enables analysts to focus on remediating high-risk alerts and managing risk more effectively.

Know Your Customer	Watch-List Filtering	Suspicious Activity Detection	Alert/Case Management	Regulatory Reporting	Managerial Reporting
→ Due Diligence Questionnaires	→ Customer/Party Screening	→ Profiling	→ Alert Prioritization	→ U.S. – SAR	→ Dashboards
→ Risk-Based Due Diligence	→ Transaction Screening	→ Peer Grouping	→ Alert Dispositions	→ Canada – STR	→ Data Mart
→ Customer Profile	→ Real-Time Screening	→ Rules/Scenarios	→ Case Workflow	→ International – Regulatory Reporting Module	→ Self-Service Reporting
→ Tax Status	→ Batch Screening	→ Analytics	→ Network Analysis	→ Tax Reporting – FATCA/CRS	
	→ Ad-Hoc Screening				

Intelligent Automation

Process Automation Web Data Retrieval Report Automation Expert Implementations Automated Emails

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Know Your Customer

Performing KYC due diligence is a regulatory requirement that is time-consuming, prone to errors and can have varying levels of complexity based on customer type and products and services offered.

The ability to create, complete, store and view custom due diligence questionnaires directly in the solution enables easy tracking and eliminates paper forms. That functionality ensures required KYC data is collected for high-risk customers, including those in high-risk industries that require enhanced or specialized due diligence. The questionnaires can be used to submit information into AML Risk Manager. That capability often is used to submit referrals from employees who may have noticed suspicious activity.
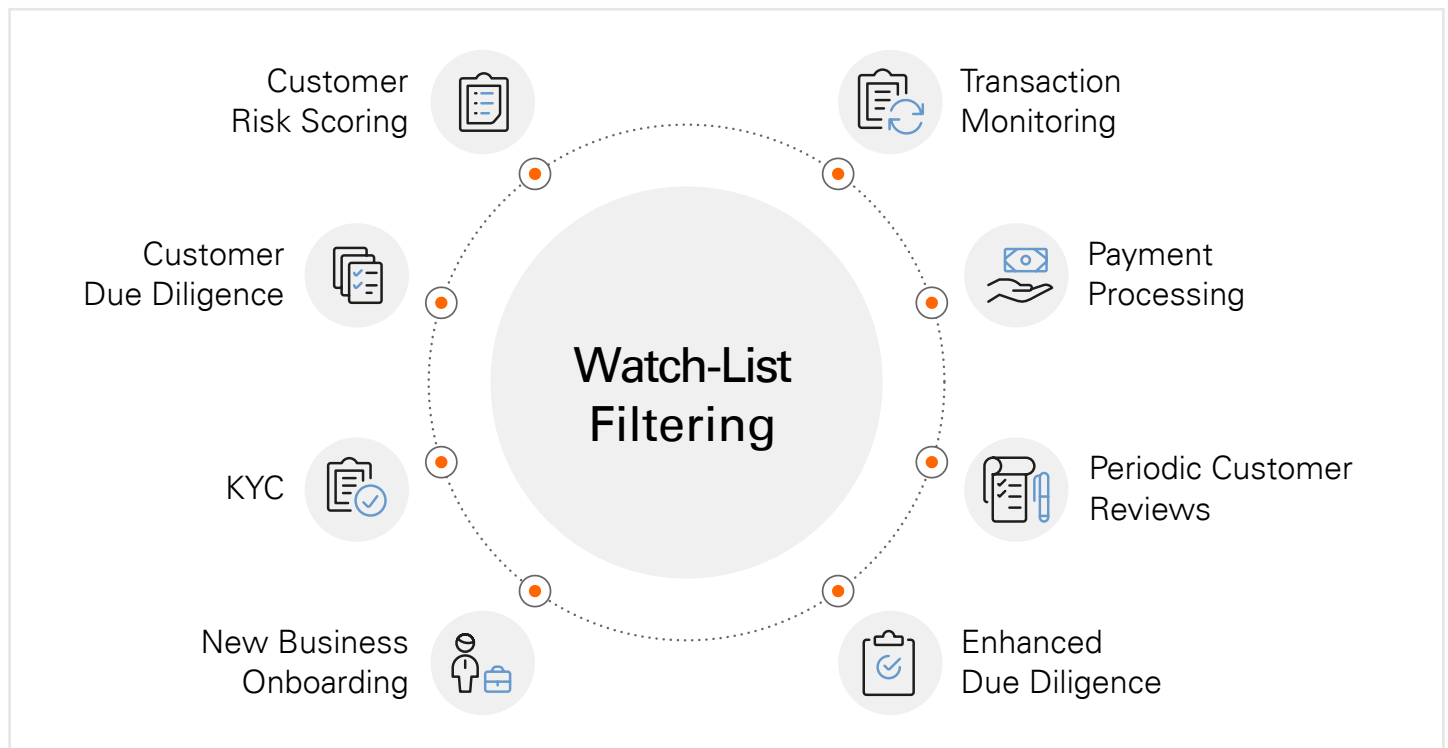
Watch-List Monitoring

The watch-list filtering capabilities in AML Risk Manager provide innovative matching analytics and robust alert and case-management features designed to reduce operational costs, mitigate compliance risks and achieve long-term regulatory, operational and IT objectives.

Watch-list filtering screens data such as policyowners, insured parties, beneficiaries and transactions against sanctions and politically exposed persons (PEP) lists, as well as custom lists and those provided by third-party data service providers. It also includes customer risk scoring. Watch-list filtering can be applied to every aspect of your AML program, from customer and enhanced due diligence processes to periodic customer reviews and screening for wires and payments.

Importantly, it supports regulatory compliance with sanctions and PEP obligations, such as those enforced by the Office of Foreign Assets Control, Office of Superintendent of Financial Institutions and United Nations.

The modern matching engine provides faster processing speeds and performance to enable the scanning of very large amounts of source data against very large watch lists, while enhanced matching technology provides match variation options for date, address and name-related information.

Customer Risk Scoring

Customer Due Diligence

KYC

New Business Onboarding

Watch-List Filtering

Transaction Monitoring

Payment Processing

Periodic Customer Reviews

Enhanced Due Diligence

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Beneficial Ownership

Regulations require the capture of ownership and controlling-person information. AML Risk Manager solves that challenge by aggregating transaction data for regulatory reporting and exposing complex beneficial ownership structures through advanced relationship visualization.

You can effectively identify financial ownership and controlling interest while having the ability to examine relationships in owner-centric and entity-centric views. Drag-and-drop network analysis enables drilling into ownership associations that otherwise would not be apparent.

Visualization

AML Risk Manager leverages a flexible and intuitive data mart for self-service management reporting and data visualization. Users can gain insights on: business data, such as policyholders, insured parties, beneficiaries and transactions; operational data, such as alerts, cases and financial intelligence unit (FIU) reports; and organizational data, such as users, teams and offices.

Begin your day with a quick and complete view of your AML program for the insights into risk and operations you need.

Analyst-Level Reporting

Today's Alerts and Team Progress

Legend:
- Assigned
- Under Investigation
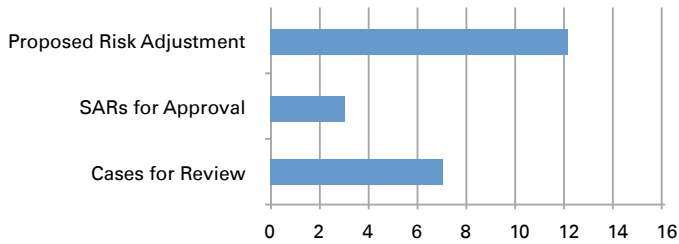- Closed – Not Suspicious
- Case
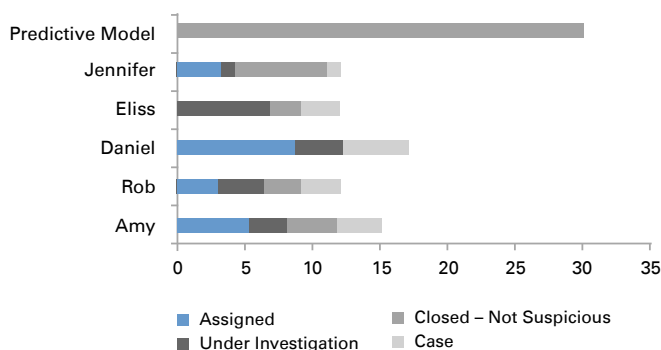
Key Indicators

AML Risk Manager identifies key money-laundering indicators for life insurance, including:

→ Unusual number of policyowners per address or policies per customer

→ Change of address, beneficiary or ownership, followed by a large payment

→ Deposits higher than the face amount of the policy

→ Change of bank account associated with a policy followed by a large withdrawal

→ Early cancellation or surrender within a certain period and/or above a certain value

→ Premiums paid with cash or other high-risk instruments

→ International transfers by PEP

→ Policies with high in-and-out activity within a certain period

→ Investment exceeds normal value for income or occupation

→ Frequent loan withdrawal with corresponding cash payment

→ Regular premium payments followed by large lump-sum investment
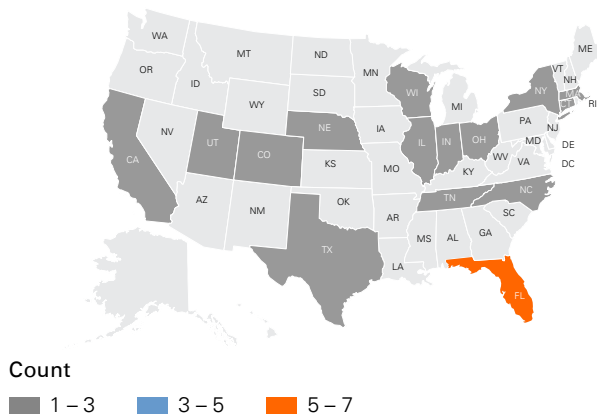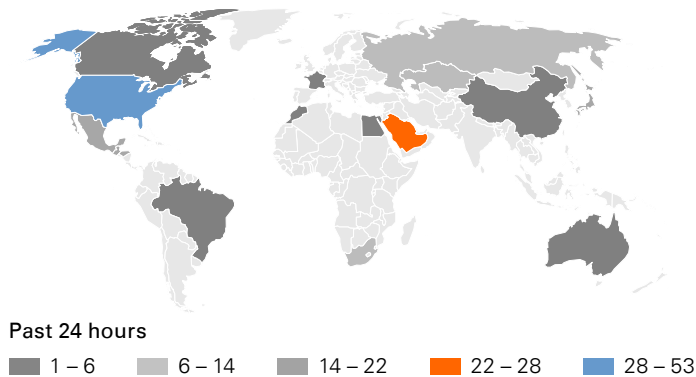
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Monitor Workflow in System

My Work Today

Proposed Risk Adjustment	
SARs for Approval	
Cases for Review	

0 2 4 6 8 10 12 14 16

Monitor Where the Risks Are Coming From

Current Statuses per Feb. 4, 2021, 12:13:17 PM

Alert Concentration by State

Count

■ 1 – 3   ■ 3 – 5   ■ 5 – 7

Transaction Geographic Distribution

Past 24 hours

■ 1 – 6   ■ 6 – 14   ■ 14 – 22   ■ 22 – 28   ■ 28 – 53

Reporting

Your institution can meet its regulatory and tax compliance reporting requirements (SAR, FATCA, CRS, EFT, STR and FINTRAC) with predefined reports and electronic file processing.

An overarching view of risk can be seen through customizable dashboards. Executives and compliance officers can view up-to-date information about current risks in a format that allows for quick analysis and decisive action.

Flexible Platform

AML Risk Manager resides on the Financial Crime Risk Management platform, which standardizes and consolidates behavioral monitoring to provide an integrated set of sophisticated capabilities that detect, investigate and resolve risks around clients and their transactions across different products, channels and geographies. The open platform enables organizations to develop further capabilities tailored to their needs.

Deployment Options

AML Risk Manager can be deployed on-premise or in the cloud through cloud partnership.

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Why Fiserv?

More than 1,200 organizations across 70 countries use anti-money laundering and fraud detection software from Fiserv, including banks, credit unions, brokerages and insurance organizations. Fiserv provides the tools, solutions and expertise to support your AML and fraud programs today and in the future.

→ 1,200 organizations trust Fiserv to help them manage their AML compliance

→ 70 countries where AML Risk Manager is deployed to enable effective risk management

→ 500-plus typologies tracked across seven industries, including covered insurance products, financial products, crypto currencies, payment services and trade-based activity

Highly regarded by industry analysts, AML Risk Manager was a finalist for the 2020 FTF New Technology Innovation Awards for Best Compliance Solution and Best Financial Crime Prevention Technology. The solution received the 2019 The Asian Banker Risk Technology Implementation Awards for Compliance Risk Technology Implementation of the Year and Finance Technology Innovation of the Year.

Key Benefits:

→ Coordinated and centralized method of managing and enforcing data capture through KYC due-diligence questionnaires

→ High-volume matching and fast processing capabilities for watch-list monitoring

→ Behavioral profiling of any entity, including policyowners, beneficiaries or agents

→ Reduced false positives through proven monitoring techniques

→ Fully integrated regulatory reporting

→ Customizable dashboard with up-to-date risk information

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Connect With Us

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Fiserv is driving innovation in Payments,
Processing Services, Risk & Compliance,
Customer & Channel Management and
Insights & Optimization. Our solutions
help clients deliver financial services at
the speed of life to enhance the way
people live and work today.

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