



FijiFIU

Fiji Financial Intelligence Unit



FIU Advisory # 8

Financial Transactions Reporting Act

Reference: 1/2008

Date: 23 January 2008

Re: Identification and Verification of Customers for Insurance Companies and Intermediaries

A. Purpose of this Advisory

1. The purpose of this Advisory is to provide further guidance to insurance companies, brokers and agents of their obligations for identifying and verifying their customer's identity as provided under the Financial Transactions Reporting Act and Regulations.

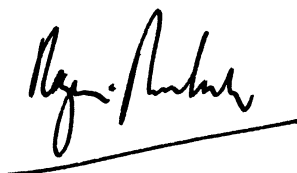
B. What are the FTR Act requirements for customer identification and verification?

2. All insurers, insurance brokers and agents must identify and verify the identity of :
 - each holder or customer of an investment-type insurance policy (such as a life or endowment insurance policy) and
 - each beneficiary under the investment-type policy.
3. The Financial Transactions Reporting Regulations 7-12 outlines how this identification and verification process must be undertaken. Regulation 13 outlines the requirements on identification of insurance beneficiaries.
4. Holders of non-investment or general type insurance policies are exempted from these customer identification procedures. Thus insurers, brokers or agents may not conduct identification and verification on holders or customers for non-investment type or general insurance policies.

C. How will the identification requirements apply to Group Life Insurance Schemes?

5. For employer-funded group life insurance schemes, insurers and insurance intermediaries must identify and verify:
 - the policy holder or the entity taking out the policy and
 - all the beneficiaries of the policy
6. Employer-funded group life insurance schemes involving the following types of entities are exempted from these customer identification and verification requirements:
 - Government ministries or departments and
 - Government statutory authorities or entities

7. For self-funded group life schemes, insurers and insurance intermediaries must identify and verify all policy holders and beneficiaries accordingly.
8. All other requirements under the FTR Act and Regulations such as, but not limited to, monitoring of customer's transactions; record keeping; reporting of suspicious and \$10,000 or more cash transactions and implementation of other internal controls will continue to apply to all insurance products including non-investment type insurance policies.
9. Insurers and insurance intermediaries should consult the FIU for further clarification.
10. Please visit our website on www.fijifiu.gov.fj to view our Advisories on other requirements of the FTR Act.

A handwritten signature in black ink, appearing to read 'Razim Buksh', is written above a solid horizontal line.

Razim Buksh
Director
Financial Intelligence Unit