

Anti-Money Laundering (AML) Conclusion

Consequences of involvement in ML and TF

Zurich could face reputational damage, regulatory fines, litigation costs, and market operating difficulties. The potential consequences for employees include loss of employment, financial penalties, and criminal proceedings. The cost to society is immeasurable when criminals are involved in drug trafficking, human trafficking, fraud, tax evasion, and acts of terrorism.

Risk-based approach

Our risk-based approach involves the identification, assessment, and understanding of the money laundering and terrorist financing risks to which Zurich is exposed and the implementation of the most appropriate mitigation measures. Products with a cash-out or investment value are a potential money laundering risk, which is why life, savings, and investment products are higher risk than general insurance products.

Customer due diligence (CDD) processes

CDD processes are intended to confirm that Business Units:

- Obtain the necessary management approval for the establishment and / or continuation of business relationships and transactions with high money laundering or terrorist financing risk
- Know, and where needed, verify the identity of each customer, and related third parties (e.g., including the life assured for life insurance and annuities) and all beneficial owners
- Evaluate and understand the intended nature and purpose of the business relationship and related types of transactions
- Conduct ongoing monitoring of the business relationship and transactions.

Enhanced due diligence (EDD)

EDD requires us to corroborate customer information independently through public or other available sources. Business relationships involving increased or higher risks, for example with clients based/established in high-risk countries or with high-risk politically exposed persons (PEPs), such as the senior government officials in Verdania, require EDD.

Red flags

Red flags can be unusual behaviors, transactions, patterns, or requests by clients that point to irregularities related to a new or ongoing business relationship. When combined with other risk factors, these red flags can reveal inconsistencies in client behavior that deviate from what is typically expected based on their profile and known information.

Reporting

Speak up if you suspect activity or a transaction that places Zurich at risk of involvement in money laundering or terrorist financing. Employees must report promptly any suspicious or potentially suspicious activity, which could represent money laundering or terrorist financing activity, to the AMLO (or an employee delegated by the AMLO for this task) for further analysis.

