

## Anti-Money Laundering Blunders - Exam

1. The "three stages of money laundering" are placement, layering and \_\_\_\_\_.

- A. Integration
- B. Influence
- C. Inspiration
- D. Infiltration

2. The "Bank Secrecy Act" of \_\_\_\_\_ requires every financial institution to file a report of any suspicious transaction relevant to a possible violation of law or regulation.

- A. 1955
- B. 1970
- C. 2001
- D. 2010

3. An "insurance company's AML program" is only required with respect to \_\_\_\_\_.

- A. Related products
- B. Special products
- C. Rendered products
- D. Covered products

4. "Not making a proper notation regarding suspicious behavior" or activities on an application could be a violation of your \_\_\_\_\_.

- A. Ethics
- B. Agency agreement
- C. Agent code
- D. Right to an attorney

5. An "example" of an AML red flag might be the purchase of an insurance product inconsistent with \_\_\_\_\_.

- A. Customer's needs
- B. Current trends
- C. The marketplace
- D. Your product recommendation

6. "Title III of the USA Patriot Act" focuses on beefing up U.S. money laundering defense to help deal with \_\_\_\_\_.

- A. Agent attitudes
- B. Terrorism
- C. White collar crime
- D. Internet violations

7. The "obligation to establish an AML program" applies to an insurance company, and not \_\_\_\_\_.

- A. Agents and brokers
- B. Banks
- C. Adjusters
- D. Claims personnel

8. "Customer Identification Programs" (CIP), require financial institutions (insurers), to verify a client's identity to the extent \_\_\_\_\_. it is reasonable and practicable

- A. Necessary
- B. You want to
- C. You have exhausted all means
- D. It is reasonable and practicable

9. An "example of" an AML red flag is unusual payment methods like:

- A. Cash or cash equivalents
- B. Personal checks
- C. A local bank cashier's check
- D. A trustee transfer of funds

10. The "term cash equivalents" refers to financial instruments such as:

- A. Money orders
- B. Traveler's checks
- C. Cashier's checks.
- D. All of the above

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11. In recent years, an "increase in suspicious AML activity" center on "policy loans" made within \_\_\_\_\_of policy issue

- A. 3 Months
- B. 6 Months
- C. 9 Months
- D. 12 Months

12. A "significant cash transaction" deposit or payment of more than \$ \_\_\_\_\_ is required to be reported to the Financial Crimes Enforcement Network (FinCEN)

- A. \$2,000
- B. \$8,000
- C. \$10,000
- D. \$12,000

13. An "example of" an AML red flag is the transfer of the benefit of a an insurance product to \_\_\_\_\_.

- A. An unrelated third party
- B. A spouse
- C. A child
- D. A parent

14. An AML "covered product" is defined to mean the following insurance products:

- A. Permanent life insurance policies
- B. Annuity contracts
- C. Other cash value or investment products
- D. All of the above

15. Agents are "contractually required to report" suspicious activity by the Customer Due Diligence provision in

- A. The insurance code
- B. The Patriot Act
- C. Your agency agreement
- D. Selling Insurance For Dummies.

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