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PRESS RELEASE

For Release: Thursday, 31 December 2020

Bermuda Monetary Authority Fines Crown Global Life Insurance Ltd. and Crown Global Life Insurance (Bermuda) Ltd.

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) has imposed civil penalties totalling \$400,000 on Crown Global Life Insurance Ltd. and Crown Global Life Insurance (Bermuda) Ltd. (the Companies) pursuant to the provisions of section 20 of the Proceeds of Crime (Anti-Money Laundering & Terrorist Financing Supervision & Enforcement) Act 2008. The Authority found no evidence that the Companies were involved or complicit in any money laundering or terrorist financing activities. The Companies are now in compliance with the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (Regulations).

The civil penalties have been imposed for the Companies' failure to adequately comply with the following requirements of the Regulations:

- i) The application of customer due diligence measures
- ii) Ongoing monitoring of business relationships
- iii) The timing of verification
- iv) The application of enhanced due diligence
- v) Outsourcing
- vi) Record-keeping
- vii) Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) Policies and Procedures
- viii) Independent audit functions
- ix) Compliance officer

The breaches outlined above came to light during an on-site review of the Companies' activities conducted by the AML/ATF unit of the Authority in November 2018. The Authority required the Companies to remediate these failings by 31 July 2019. The remediation was not completed to the satisfaction of the Authority within the timeframe. The Authority views these breaches as serious because of their extent and duration, and because they demonstrated a weakness of the Companies' internal AML/ATF controls.

The Regulations have been in effect since 2009 and this matter highlights: (1) the importance of licensees having in place up-to-date AML/ATF policies and procedures which are appropriate, effective, and fully implemented in order to avoid the risk of financial products being used as a vehicle for money laundering or terrorist financing; and (2) the importance of licensees remediating any breaches identified by the Authority within reasonable timeframes.



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In determining the appropriate level of the civil penalties, the Authority determined that a penalty of \$400,000 was appropriate given the nature of the breaches. The Authority also took account of the Companies' cooperation during the on-site and verification process and the Companies' improved processes and procedures since the date of the said on-site review. The Companies have agreed to continue to implement enhanced controls going forward to ensure compliance. These controls represent an improvement over the previous controls and were implemented at significant cost.

– Ends

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