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PRESS RELEASE

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BERMUDA MONETARY AUTHORITY LEVIES CIVIL PENALTIES ON ACADIA LIFE LIMITED

HAMILTON, BERMUDA – The Bermuda Monetary Authority (Authority or BMA) has levied civil penalties totalling \$900,000 on Acadia Life Limited (Company), an entity registered by the Authority under the Insurance Act 1978 (Insurance Act) as a Class C insurer to carry on long-term insurance business.

The civil penalties have been levied on the Company for failures to adequately comply with certain obligations imposed on it under the Proceeds of Crime (Anti-Money Laundering & Anti-Terrorist Financing) Regulations 2008 (Regulations). Following the Anti-Money Laundering/Anti-Terrorist Financing (AML/ATF) on-site inspection conducted by the Authority in June 2022, a number of deficiencies were identified relating to the Company's AML/ATF program and its obligations under the Regulations.

The Company did not adequately comply with the following requirements of the Regulations, namely:

1. Implement appropriate AML/ATF Governance pursuant to Regulation 16;
2. Undertake a business risk assessment pursuant to Regulation 16(1)(ea);
3. Conduct appropriate customer risk assessments pursuant to Regulations 6(3)(a) and 6(3)(b);
4. Apply adequate customer due diligence measures pursuant to Regulations 5 and 6;
5. Institute ongoing monitoring of its business relationships pursuant to Regulation 7;
6. Implement an independent audit function pursuant to Regulation 17A;
7. Conduct appropriate training pursuant to Regulation 18; and
8. Implement internal policies regarding its obligations under Bermuda's International Sanctions Regime.

The Authority required the foregoing deficiencies to be rectified by December 2022. The Company complied within the requisite timeframe and with the Authority's directions in a timely and expeditious manner throughout the entire remediation process.

This matter highlights the importance of regulated financial institutions implementing up to date AML/ATF and International Sanctions policies and procedures in order to avoid the risk of financial products or legal structures being utilised as a vehicle for money laundering or terrorist financing.

The Authority has taken the nature of the breaches into consideration in determining the appropriate level of the civil penalties to be imposed for each contravention. In addition, the Authority had regard for the following factors:

- (1) The size and quality of the Company's book of business;
- (2) The Company's full cooperation with the Authority throughout; and
- (3) The Company's timely remediation.

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