

Pursuant to Article 68, paragraph 1 and Article 109, paragraph 5 of the Law on the Prevention of Money Laundering and the Financing of Terrorism (RS Official Gazette, Nos 113/2017, 91/2019, 153/2020 and 92/2023) and Article 18, paragraph 1, item 3) of the Law on the National Bank of Serbia (RS Official Gazette, Nos 72/2003, 55/2004, 85/2005 – other law, 44/2010, 76/2012, 106/2012, 14/2015, 40/2015 – CC decision and 44/2018), the Governor of the National Bank of Serbia adopts the following

**LIST OF INDICATORS  
FOR RECOGNISING GROUNDS FOR SUSPICION OF MONEY LAUNDERING OR  
TERRORISM FINANCING FOR OBLIGORS IN THE AREA OF LIFE INSURANCE**

1. This List of Indicators lays down the indicators for identifying persons and/or transactions for which there are grounds to suspect money laundering or terrorism financing – for obligors required to implement the Law on the Prevention of Money Laundering and the Financing of Terrorism in the area of insurance (hereinafter: obligors).

This List shall apply to insurance undertakings licensed to carry out life insurance, as well as to insurance brokerage undertakings, insurance agency undertakings and insurance agents (when they act as brokers/agents in concluding life insurance contracts) – established within the meaning of the law governing insurance, except insurance agency undertakings and insurance agents for whose work the insurance undertaking is accountable in accordance with law.

Obligors shall incorporate the indicators laid down herein in their lists of indicators, in accordance with Article 69, paragraph 1 of the Law on the Prevention of Money Laundering and the Financing of Terrorism.

2. In determining whether there are grounds for suspicion of money laundering or terrorism financing, obligors are required to apply at least the following indicators:
  - 1) the client pays extremely high insurance premiums on an annual basis or in a lump sum;
  - 2) the client pays large premium amounts for several insurance policies, especially when the policies are concluded in a short period of time;
  - 3) there is suspicion that insurance policies have been concluded in false names, in other persons' names or with registered false addresses;
  - 4) one person is the holder of a large number of policies issued by different insurance undertakings, especially if the contracts are concluded in a short period of time;
  - 5) insurance contract is frequently modified by the holder requesting a larger premium or a switch from monthly payments to payments in a lump sum or payments on an annual basis;
  - 6) the client cancels insurance policies immediately after the conditions for early redemption are met, especially when large premiums are involved;
  - 7) legal persons holding insurance policies on behalf of their employees pay unusually large insurance premiums, or cancel the policies immediately after the conditions for early redemption are met;

- 8) a legal person purchases life insurance policies for its employees, the number of employees being lower than the number of policies purchased; policies are issued to persons who are not employed by the legal person;
- 9) the client concluding an insurance contract is a person with a bad reputation or known for illegal activities, or a person that may be associated with such badly reputed person;
- 10) the policyholder or the insured person insists that the transaction is held secret, i.e. that the premium amount or insured sum is not reported to the competent authority, despite the fact that such reporting is mandatory under the law; the client attempts to persuade the obligor's officer through kind words or bribery to act in the customer's interest contrary to the law;
- 11) the insured person (policyholder) cites another natural person as a beneficiary in the policy, to whom he is not related;
- 12) the client prematurely terminates the contract, despite a significant loss, without a credible explanation;
- 13) the insurance policy is concluded in large amounts, at the client's request (without economic justification), with a short period of insurance (up to 1 year);
- 14) the premium is paid by a transfer from an account held in a foreign bank or another similar institution in a country other than the one in which the legal person is headquartered or the country of permanent or temporary residence of the natural person – policyholder;
- 15) a policyholder – foreign national seeks to redeem the insurance policy through the transfer of funds to an account of a bank or another similar institution in a foreign country whose AML/CFT system is deficient;
- 16) legal persons purchase life insurance policies for their employees as insured persons, while the insurance beneficiary is the legal person, its owner/beneficial owner or a family member of the legal person's owner/beneficial owner;
- 17) it is difficult to identify the customer's beneficial owner due to the complex ownership structure;
- 18) data and information about the beneficial owner of the legal person client obtained from the written statement of the representative, procura holder or empowered representative and the beneficial owner of the legal person, are inconsistent with the data and information obtained by inspecting the documentation submitted by such legal person or from publicly available information sources;
- 19) data about the beneficial owner of the legal person client entered in the records of beneficial owners kept by the competent authority or in other registers and records of beneficial owners in foreign countries differ from the data which the obligor established by applying the prescribed customer due diligence actions and measures, which gives a reason to doubt the veracity of data entered in those registers/records;
- 20) the client – legal person engaged in betting or gambling or collection and processing of secondary raw materials often purchases life insurance policies whose beneficiaries are persons who are not (permanently) employed with the client (temporary and casual jobs);

- 21) the client arrives accompanied by another person whose behaviour gives rise to suspicion that the person influences and/or controls the client;
  - 22) the insurance premium amount does not correspond to the client's financial capacity and the customer is unable to provide evidence about the origin of assets which are the subject of the business relationship;
  - 23) the client seeks or accepts very unfavourable terms for concluding or changing the insurance contract;
  - 24) the client replaces the insurance beneficiary just before the expiration of the insurance contract;
  - 25) the client is suspected to be a designated person pursuant to the law which regulates the freezing of assets with the aim of preventing terrorism and the proliferation of weapons of mass destruction (Sanctions Committee Consolidated List based on the United Nations Security Council Resolution 1267, a domestic list of designated persons adopted by the Serbian Government etc.) or a person connected with persons in the said lists;
  - 26) a policyholder or insured person is associated, through means of public information, with terrorism, terrorism financing, religious radicalism, extremism and fundamentalism.
3. In addition to the indicators specified in Section 2 of this List, obligors shall also apply indicators for identifying suspicious activities related to the financing of terrorism published in the Directive Concerning the Publication of a List of Indicators for Recognising Suspicious Transactions Related to Terrorism (No OP-000102-0031/2018 of 21 February 2018).
  4. In addition to the indicators referred to in Sections 2 and 3 of this List, obligors shall also include special indicators in their list of indicators, taking into account the national risk assessment and analysis, and, in particular, the complexity and volume of transactions, unusual performance methods, value or interconnectedness of transactions which do not have an economic or legally-based purpose, and/or which are inconsistent with or disproportionate to the usual and/or expected business activities of the client, and other circumstances relating to the status or other characteristics of the client which give rise to suspicion of money laundering or terrorism financing.
  5. The List of Indicators for Recognising Suspicious Transactions for Insurance Companies, dated 20 September 2011 and established by the Administration for the Prevention of Money Laundering, shall cease to be valid as of the day of beginning of application of this List of Indicators.
  6. Obligors shall apply this List of Indicators as of 1 March 2024.
  7. This List of Indicators shall be published on the website of the National Bank of Serbia and submitted to the Administration for the Prevention of Money Laundering in order to be published on its website.

G. No

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Belgrade

Governor

National Bank of Serbia

Dr Jorgovanka Tabaković