

**PROGRAM DIVISION  
BULLETIN**

2003-35

October 14, 2003

**Office of Foreign Asset Control – “OFAC”  
Compliance with U.S. Patriot Act**

**As part of the Patriot Act, all insurance carriers in the United States must comply with the U.S. Economic Sanctions and Trade Embargoes. OFAC (the Office of Foreign Asset Control) publishes a list of “Specially Designated Nationals and Blocked Persons” (SDN List) periodically which prohibits U.S. domestic businesses from engaging in transactions with individuals, entities, or vessels appearing on this list.**

Effective **October 1, 2003**, the AIG ‘eStart’ system began sending alert messages for OFAC “hits”. AIG has obtained a database that includes all of the names published on the SDN List. For policies that are reserved in the eStart system, underwriters will be notified when an account name matches any names in the AIG OFAC Database *when the account is entered and before the policy is bound*. The message will appear as follows:

The account has created a match to the OFAC List. You must either decline to quote this risk or document your file that you have classified this match as a false positive providing the appropriate detail to substantiate your decision. Please:

- 1) Send an e-mail to [DBG.Legal.OFAC@aig.com](mailto:DBG.Legal.OFAC@aig.com) with a Subject of “OFAC” Alert Generated” and include the submission number in the body of the e-mail;
- 2) Proceed as normal;
- 3) Follow any instructions from DBG Legal;
- 4) Document your files as to the disposition of the alert.

**Your adherence to the instructions given in the alert message is imperative. Disregarding these instructions could result in a violation of federal law and may result in penalties and/or public scrutiny. Your timely responses will facilitate and the resolution of any hits that are false positives.**

For programs that do not use eStart or CoverAll, AIG is working on access to a web-enabled site where accounts maybe entered prior to quoting. Attached is a questionnaire that is to be completed and returned to Pamela Burns or Stephen Raymond. ***This questionnaire is to be completed ONLY by those Program Administrators who do not use eStart or CoverAll.***

We are working to make the process as automated as possible and appreciate your cooperation.

If you wish to review the OFAC requirements you may visit the OFAC website at <http://www.ustreas.gov/offices/eotffc/ofac>.

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