

October 9,
2001

To: All Company Presidents

From: Nathaniel S. Shapo, Director

Re: (CB #2001-07) Executive Order Blocking Property and Prohibiting Transactions with
Persons Who Commit, Threaten to Commit, or Support Terrorism

Reply to: Cynthia J. Lamar, (312) 814-5424

In response to the terrorist attacks of September 11, 2001, President Bush issued an Executive Order, effective September 24, 2001, which provides that property and interests in property of those persons and entities listed in the Annex to the Executive Order (a copy of the list is attached to this Bulletin) that are either in the United States or that come into the United States are blocked. Further, the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons or entities listed in the Annex to the Order or otherwise determined to be subject to the Order is prohibited.

The purpose of this Bulletin is to advise all insurers and licensees to become familiar with their obligations under the Executive Order. All insurers and licensees should review their records for any information that may be relevant to the Executive Order. Insurers and licensees should also review the United States Department of the Treasury, Office of Foreign Assets Control (OFAC) website www.treas.gov/ofac, which will provide additional updated information regarding these requirements. Companies should check the OFAC website regularly for updates to the list of persons and entities subject to this Order. Questions regarding the Executive Order should be directed to the Office of Foreign Assets Control. Individuals and entities found to have violated this Executive Order may be subject to sanctions administered by OFAC.

OFAC has developed a brochure specifically addressing the insurance industry's obligations with respect to programs blocking assets and prohibiting transactions with listed individuals and entities. The brochure can be obtained from the OFAC website at <http://www.treas.gov/ofac/t11facin.pdf>. In this insurance publication, OFAC warns that it is critical that the insurance industry gain a better understanding of the economic sanctions and embargo programs of the United States. These programs are a front line defense against foreign threats to our national safety, economy, and security.

All U.S. insurance companies, U.S. citizens, and permanent resident aliens who are employees, officers, or directors of U.S. or foreign insurance companies need to be aware that they may be held accountable for sanctions violations under the authority granted to OFAC. Criminal violations of the statutes administered by OFAC can result in corporate and personal fines of up to \$1 million and 12 years in jail. OFAC also has authority to impose civil penalties.

According to OFAC's authority, U.S. underwriters, brokers, agents, primary insurers, reinsurers, and U.S. citizen employees of foreign firms in the insurance industry are prohibited from engaging in transactions not licensed by OFAC that in any way involve listed individuals or entities. Specifically, OFAC declares that all property, including insurance contracts, in which there is a direct or indirect interest of any listed individual or entity is considered blocked or "frozen". Premium payments, policy loan interest payments, and repayments of policy loans related to blocked insurance contracts must be credited to an interest bearing blocked account established on the books of a U.S. financial institution. Proceeds due under blocked policies may not be set-off against past due policy receivables or other claims and must also be paid into an interest bearing blocked account. Rights in blocked policies may not be transferred with out authorization from OFAC--changing a beneficiary or assigning or pledging an insured's interest under a blocked policy would be considered illegal transfers involving blocked property under OFAC jurisdiction. Blocked policies and policy payments must be reported within 10 days to OFAC's Compliance Programs Division by fax at 202/622-1657.

Insurers and licensees reporting information to federal authorities should also notify the Illinois Department of Insurance, (Attn: Cynthia J. Lamar) at 100 West Randolph Street, Suite 15-100, Chicago, Illinois, 60601.

[Click here to view current listing](#)

ANNEX TO EXECUTIVE ORDER

Al Qaida/Islamic Army

Abu Sayyaf Group

Armed Islamic Group (GIA)

Harakat ul-Mujahidin (HUM)

Al-Jihad (Egyptian Islamic Jihad)

Islamic Movement of Uzbekistan (IMU)

Asbat al-Ansar

Salafist Group for Call and Combat (GSPC)

Libyan Islamic Fighting Group

Al-Itihaad al-Islamiya (AIAI)

Islamic Army of Aden

Usama bin Laden

Muhammad Atif (aka, Subhi Abu Sitta, Abu Hafs Al Masri)

Sayf al-Adl

Shaykh Sai'id (aka, Mustafa Muhammad Ahmad)

Abu Hafs the Mauritanian (aka, Mahfouz Ould al-Walid, Khalid Al- Shanqiti)

Ibn Al-Shaykh al-Libi

Abu Zubaydah (aka, Zayn al-Abidin Muhammad Husayn, Tariq)

Abd al-Hadi al-Iraqi (aka, Abu Abdallah)

Ayman al-Zawahiri

Thirwat Salah Shihata

Tariq Anwar al-Sayyid Ahmad (aka, Fathi, Amr al-Fatih)

Muhammad Salah (aka, Nasr Fahmi Nasr Hasanayn)

Makhtab Al-Khidamat/Al Kifah

Wafa Humanitarian Organization

Al Rashid Trust

Mamoun Darkazanli Import-Export Company