

## **CLIENT ALERT**

### **OFAC Continues Focus on the Reinsurance Industry: General Re and Iran**

**Jun.30.2011**

True to its word, OFAC has continued to announce settlements of what is reported to be a pipeline of dozens of cases in the insurance/reinsurance industry with yesterday's \$59,130 settlement with General Reinsurance for reinsurance claim payments to Steamship Mutual Underwriting Association Limited for losses arising from National Iranian Tanker Company operations.

The settlement is significant for a number of reasons. While OFAC found the apparent violations "non-egregious" and Gen Re voluntarily disclosed the apparent violations, the payments "were pursuant to its facultative reinsurance obligation" and therefore this case represents another guide to OFAC's views on facultative arrangements. Perhaps most significantly, OFAC's announcement reflects a "risk-based" expectation for compliance; one of the mitigating factors cited is that "Gen Re subsequently . . . implemented training programs for personnel who have a high probability of encountering sanctioned transactions."

For questions about the Gen Re case or OFAC compliance obligations generally, please contact those listed on this alert.

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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