



HANCOCK & ASSOCIATES, INC. SANCTIONS CONTROLS POLICY

SANCTION CONTROLS

It is necessary to ensure that we protect our underwriters and clients against financial penalties from trade or political sanctions. Sanctions are internationally agreed methods of bringing about change in another country's or individual's activities or policies that are deemed to breach international law, human rights or democracy.

We will ensure that no insured shall be provided with cover and no insurer or Underwriter has to pay any claim or provide any benefit or enhancement that would expose that insurer or Underwriter any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the United States of America, the European Union or the United Kingdom.

Hancock & Associates, Inc. makes checks of the various directories available to us both via Lloyd's, the industry in general and as provided by OFAC, UK and EU Sanctions check lists.

Clients/Insureds:

As business emanates only from clients known to us and on whom we have undertaken our due diligence the immediate risk of infringing sanctions are reduced. We undertake such checks that are appropriate and proportionate to the business we underwrite on behalf of Insurers.

Insurers:

The majority of our business is placed with Lloyd's Underwriters in whom we have confidence and are in compliance with all regulations. We will undertake checks that are appropriate and proportionate to the business.

In the event that the checking procedure produces a "match" we will notify the relevant authority and the appropriate leading Underwriter at Lloyd's. Staff will notify the Designated Person of any knowledge or suspicion of a sanctioned activity who will be responsible for notifying the appropriate parties. All such matches will be logged and the log made available to the appropriate parties for inspection.

All principals and staff are aware of the necessity to remain vigilant. Staff are instructed to raise any concerns with senior management.

We will maintain up-to-date levels of education for all staff to maintain the levels of awareness in respect of all aspects of sanction legislation.

The lists that should be checked are HM Treasury's consolidated list of asset freeze targets (incorporating UK, EU, UN sanctions) and OFAC's specially designated nationals list.
(<https://www.gov.uk/government/publications/financial-sanctions-consolidated-list-of-targets>)
(<http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>)

***Checking OFAC with ANY premium bearing change to a policy.**

Hancock now also performs an OFAC search as a part of processing ANY premium changes to a policy.

****Checking OFAC at cancellation of policy:**

Hancock also performs an OFAC search on all risks at time of cancellation for continued integrity and would report any suspicious findings to Underwriters.