

**Counterparty Limits:** The exposure to a single counterparty may not exceed 5% of the target amount of the tied assets. This limitation helps to mitigate the risk of significant loss from the potential default of any single counterparty.

**Exemptions from the Limit:** Claims against the Swiss Confederation, cantons, cantonal banks with a state guarantee, and Swiss mortgage bond institutions are exempt from the 5% limit. Additionally, receivables from debtors fully guaranteed by a state with a credit rating of 1 are also excluded from this limitation.

**Accumulation of Exposure:** To determine the net exposure, all receivables and investment instruments in the tied assets vis-à-vis a party must be accumulated. If the insurance company invests in several companies within a group, the total exposure to this group is considered.

**Calculation of Net Exposure:** Guarantees issued to the insurance company are included in the calculation of net exposure, while collateral received can be deducted from the exposure.

#### Conditions for Managing Credit Exposure

**Foreign Currency Exposure:** Obligations arising from insurance contracts should be covered by investments in matching currencies. Investments in currencies other than the reference currency (the currency in which the insurance contracts are denominated) are limited to 20% of the target amount of the tied assets.

**Matching Cover:** The principle of matching cover requires that the

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