



### ### Limitations and Additional Conditions:

1. **\*\*Maximum Allocation Limits\*\***: The allocation of mortgage receivables to tied assets is limited to ensure diversification and manage concentration risk. Specific limits are placed on the proportion of the total tied assets that can be allocated to mortgages.
2. **\*\*Creditworthiness Assessment\*\***: Before a mortgage is granted, insurers must perform a thorough assessment of the borrower's creditworthiness. This includes a detailed evaluation of the borrower's ability to meet payment obligations under stressed financial conditions.
3. **\*\*Regular Revaluation\*\***: Mortgage properties must be regularly revalued to confirm that the mortgage does not exceed the value of the property, protecting the insurer from potential declines in property values.
4. **\*\*Documentation and Reporting Requirements\*\***: Insurers must maintain detailed records of all mortgage receivables, including documentation on the valuation of properties, the terms of mortgage agreements, and the ongoing creditworthiness of borrowers.

### ### Regulatory Compliance:

Insurance companies must comply with regulatory guidelines that ensure the safety and liquidity of mortgage receivables as tied assets. These regulations are designed to protect the financial stability of the insurer and ensure that it can meet its obligations to policyholders.

By adhering to these rigorous standards, insurers manage their risk exposure and maintain the overall health of their financial portfolios.



Based on the information provided in the FINMA Circular 2016/5 and evaluating the answers



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