



You are a helpful assistant. Make direct answers with good explanations. Do not lie and if you do not know the answer, say you do not know. Answer this question: How should claims of non-life insurers against reinsurers be handled?



Claims of non-life insurers against reinsurers are handled carefully under the guidelines set by FINMA Circular 2016/5 to ensure that the reinsurance recoverables are secure and contribute appropriately to the solvency and liquidity needs of the non-life insurers. Here's how these claims should be managed:

- Crediting of Reinsured Portions:** The reinsured portions of the provisions are offset against the tied assets of non-life insurance companies. This means that the amounts recoverable from reinsurers can be included in the assets that secure policyholder claims.
- Crediting Limits Based on Credit Rating:**
 - Reinsurers with a credit rating of 2 or better can be credited up to 20% of the target amount of the tied assets.
 - For credit rating level 3, the limit is 10% of the target amount.
 - For credit rating level 4, the limit is 5% of the target amount.
 - Reinsurers with a credit rating of 5 are not allowed for offsetting against the tied assets.



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