



5. **Limitations on Investment:** There may be specific limits on the proportion of structured products within the overall investment portfolio, depending on their risk profile and the insurance company's capacity to absorb potential losses.
6. **Regular Updates to FINMA:** Insurance companies must regularly update FINMA about their investments in structured products. This includes detailed reports on the valuation methods, risk exposure, and performance of these investments.
7. **Special Approval for Certain Investments:** If structured products include components that do not fit neatly into established categories, special approval from FINMA might be required. This ensures that all investments are made transparently and within the regulatory framework.

By adhering to these protocols, insurance companies ensure that their investments in structured products are secure, comply with regulatory requirements, and are aligned with the company's risk management strategy and financial objectives.



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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:  
What derivatives can be used to hedge credit risk of asset portfolio?



To effectively manage and report on structured product investments, insurance companies must adhere to stringent regulatory standards and internal guidelines. Here's a detailed breakdown of the approach:

## Management

### 1. Risk Assessment and Due Diligence ↓



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