

Documentation and Record-Keeping: Assets allocated to tied assets must be recorded and identified in such a way that the company can demonstrate at any time which assets belong to tied assets. This includes maintaining up-to-date records and being able to quickly verify the coverage of the target amount by the tied assets.

Compliance with Investment Limits: The allocation must comply with any specific investment limits or restrictions outlined in the Circular, ensuring that the portfolio remains diversified and aligned with the insurer's risk capacity.

Ongoing Review and Adjustment: Allocated assets should be regularly reviewed to ensure they continue to meet the necessary criteria and are performing as expected. Adjustments should be made as needed to respond to changes in market conditions or the financial health of the insurance company.

Reporting to FINMA: Insurers must report their tied assets and any changes to their allocation to FINMA as required by the regulations. This includes an annual report detailing the composition and valuation of tied assets.

By adhering to these criteria and processes, insurance companies ensure that their tied assets are capable of covering the obligations associated with insurance contracts, thereby protecting the interests of policyholders.



Evaluating the report based on the PDF document

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