

Valuation: The investment should be easily valued without significant problems.

Liquidity: Investments must exhibit a high level of liquidity relative to their investment category.

Expertise and System Requirements: There must be the necessary expertise and appropriate systems and processes in place for selecting, managing, and controlling the investment.

Risk Understanding: The financial, legal, and operational risks associated with the investment should be fully understood.

Creditworthiness of Debtor: The debtor's creditworthiness must be verifiable.

Encumbrances: The asset must be unencumbered and not subject to any rights of set-off or similar claims.

Process for Allocating Investments to Tied Assets

Allocation Decision: The insurance company decides which assets are to be allocated to tied assets based on their ability to cover the target amount of the tied assets. This decision is based on the valuation of the assets, their liquidity, and the overall investment strategy of the company.

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

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