Insurance companies are required to manage and report structured product investments with stringent oversight and precision as outlined in the FINMA Circular 2016/5. Here are the main points concerning the management and reporting of these investments:

1. **Compliance with Investment Categories**: Structured products must comply with the existing investment categories specified by FINMA. Each component of the structured product (like derivatives within the product) must meet the requirements of the corresponding investment category.

2. **Risk Management**: Insurance companies must have a robust system to manage the risks associated with structured products. This includes having qualified personnel and a sound investment strategy that incorporates these products appropriately within the overall portfolio.

3. **Documentation and Process**: The investment process, including the decision-making criteria and risk assessment for structured products, must be well-documented. This documentation helps in providing clarity during audits and regulatory reviews.

4. **Valuation and Reporting**: Structured products need to be valued accurately and reported on. The valuation should reflect the fair market value, and any changes in valuation must be reported to FINMA as part of regular disclosures.

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.

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