



Adjustment and Notification

1. **Adjustment of Crediting:** If there's a change in the reinsurer's credit rating or other relevant conditions, the insurer must adjust the credited amount accordingly and notify FINMA immediately.

These guidelines ensure that claims against reinsurers are treated in a way that maintains the financial integrity and regulatory compliance of non-life insurers, by adequately reflecting the risk and recovery potential associated with reinsurance agreements.



finma rs 2016 05 en.pdf
PDF

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 are the limitations and conditions for credit exposure to counterparties within tied assets?



The limitations and conditions for credit exposure to counterparties within tied assets, as outlined in the FINMA Circular 2016/5, include specific caps on exposure and requirements to ensure that credit risk is managed appropriately. Here are the key points:

Limitations on Counterparty Exposure

1. **Counterparty Limits:** The exposure to a single counterparty may not exceed 5% of the target amount of the tied assets. This limitation helps to mitigate the risk of significant loss from the potential default of any single counterparty.
2. **Exemptions from the Limit:** Claims against the Swiss Confederation, cantons, cantonal banks with a state guarantee, and Swiss mortgage bond institutions are exempt from the 5% limit. Additionally, receivables from debtors fully guaranteed by a state with a credit rating of 1 are also ↓ luded from this limitation.



Message ChatGPT

