

Answer 1:

Insurance companies that invest in structured products must have qualified and knowledgeable staff, an appropriately designed investment strategy, an investment management system tailored to their specific needs, a fully implemented and documented investment process, an appropriate risk management system, and an adequate system infrastructure. They must also use scenario analyses to ensure that the use of complex investments does not jeopardize the value of the total assets and tied assets or the solvency of the insurance company. The insurance company is responsible for monitoring and controlling compliance with the investment principles and objectives, regulatory requirements, and the main risks associated with investment activities. If the insurance company commissions a third party with investment management, it remains responsible for compliance with the investment management regulations. The transfer of investment management to third parties is subject to FINMA approval. Control (risk management) must ensure and perform at least the following tasks: monitoring and controlling compliance with the investment principles and objectives, regulatory requirements, and the main risks associated with investment activities. For structured products or individual elements of structured products, the limitations of the categories to which they are assigned apply. The provisions relating to foreign counterparties must be taken into account, and investments in insurance-linked securities are permitted only if the resulting risks are not positively correlated with the company's own insurance risk. The insurance company must understand the investment process, monitor the specified strategy and investment principles, and be able to track all transactions in a timely manner for accounting purposes. The Circular must be observed for each

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