



assets are capable of covering the obligations associated with insurance contracts, thereby protecting the interests of policyholders.



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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:
How are claims of non-life insurers against reinsurers treated in the context of tied assets?



The treatment of claims of non-life insurers against reinsurers in the context of tied assets, according to the FINMA Circular 2016/5, involves specific guidelines to ensure these claims contribute effectively and securely to the insurer's solvency requirements. Here's how these claims are treated:

Principles for Claims of Non-Life Insurers Against Reinsurers

1. **Offsetting Against Tied Assets:** The reinsured portions of the provisions are offset against the tied assets of non-life insurance companies. This means that recoveries expected from reinsurers are considered part of the assets backing the insurer's obligations.
2. **Application for Offsetting:** The process requires an application to FINMA whenever an insurer wishes to offset the reinsured portions of its provisions against the tied assets. This involves specifying the reinsurer and the amount covered by reinsurance.

Crediting and Limits

1. **General Crediting:** Generally, the reinsured portions are credited at 100% of the current portion's amount. However, for reinsurers in run-off, the crediting is reduced to 75%.



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