



company's broader investment strategies and risk management frameworks.

- **Compliance Monitoring:** Continuous monitoring and control of compliance with both internal directives and external regulatory requirements are mandatory.

Through these stringent management, reporting, and liquidity maintenance requirements, insurance companies can ensure that their use of derivatives aligns with regulatory expectations and their risk management objectives, thereby safeguarding the company's financial stability and compliance.



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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:
What specific provisions must be followed when dealing with tied assets in relation to unit-linked life insurance policies?



Specific provisions that must be followed when dealing with tied assets in relation to unit-linked life insurance policies, according to the FINMA Circular 2016/5, include the following:

1. **Separate Tied Assets Requirement:** Separate tied assets must be established for unit-linked life insurance and capitalization transactions. This ensures that the policyholder claims are secured by designated assets, directly correlating to the liabilities arising from these policies.
2. **Matching Cover:** The assets used to cover unit-linked contracts must correspond to the investments upon which the contracts are based. This principle ensures that the fluctuations in the value of the assets match those of the liabilities, minimizing the insurer's exposure to additional investment risks.



3. **Valuation at Market Value:** Investments used to secure claims from unit-linked life



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