

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%.
2. **Limits Based on Credit Rating:**
 - **Credit Rating 2 or Better:** Up to 20% of the target amount of the tied assets.
 - **Credit Rating Level 3:** Up to 10% of the target amount.
 - **Credit Rating Level 4:** Up to 5% of the target amount.
 - **Credit Rating Level 5:** Reinsured portions cannot be offset against the tied assets.
3. **Group Reductions:** If the reinsurer is part of the same insurance group as the insurer, these limits are halved.


Special Provisions

1. **Swiss Natural Hazard Pool:** Claims related to this pool can be credited up to 10% of the tied assets' target amount.

Application and Approval Process

1. **Application Form:** Insurers must use a prescribed FINMA form for their applications. The form should include the name and office location of the reinsurer.
2. **Approval Process:** The approval is assumed unless FINMA raises an objection or requires a review within four weeks.

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  just the credited amount accordingly and notify FINMA immediately.



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