ChatGPT 4

In essence, synthetic bonds provide a versatile tool in modern finance, allowing for complex strategies that can be customized to suit specific investment goals and risk management requirements.

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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 should insurance companies manage and report structured product investments?

Insurance companies are required to manage and report structured product investments with stringent oversight and precision as outlined in the FINMA Circular 2016/5. Here are the main points concerning the management and reporting of these investments:

1. **Compliance with Investment Categories**: Structured products must comply with the existing investment categories specified by FINMA. Each component of the structured product (like derivatives within the product) must meet the requirements of the corresponding investment category.

2. **Risk Management**: Insurance companies must have a robust system to manage the risks associated with structured products. This includes having qualified personnel and a sound investment strategy that incorporates th products appropriately within the overall portfolio.

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