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 insurance policies must be valued at no more than their market value. This valuation must be consistent with the underlying asset fluctuations and maintain transparency in asset reporting.

4. **Admissible Assets**: In the case of unit-linked contracts, permissible assets include open-ended collective investment schemes under the Collective Investment Schemes Act. For contracts linked to internal investment portfolios or other reference values, permissible values must comply with specific articles outlined in the FINMA Circular.

5. **Compliance with Investment Limits**: The general investment limits of the Circular do not apply to separate tied assets for unit-linked life insurance. This flexibility allows for tailored investment strategies that align closely with the nature of the liabilities provided these are sufficiently covered and reported.

6. **Reporting and Compliance**: Insurance companies must regularly report on these assets to FINMA and ensure continuous compliance with the regulatory frameworks. This includes documenting and justifying the alignment of assets with the corresponding insurance liabilities.

These provisions ensure that the assets backing unit-linked life insurance policies are managed in a way that protects the interests of policyholders, aligning investment risks with policy liabilities and ensuring sufficient liquidity and asset coverage.

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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, s you do not know. Answer this question: Explain the criteria and process for allocating an investment to tied assets.

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