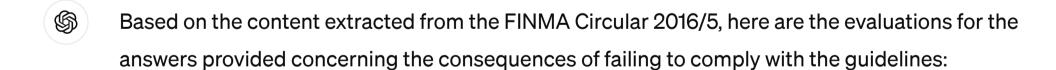
subsequent compliance. This could involve more frequent addits and mandatory submission of detailed compliance reports.

- 3. \*\*Reputational Damage\*\*: Failure to adhere to regulatory standards can lead to reputational damage, affecting the trust and confidence of policyholders, investors, and other stakeholders.
- 4. \*\*Financial Impact\*\*: Non-compliance can lead to financial instability due to mismanaged assets or overly risky investment strategies, which could impact the insurer's ability to meet its financial obligations to policyholders.
- 5. \*\*Operational Restrictions\*\*: In some cases, regulatory bodies might impose operational restrictions, limiting the insurer's ability to make certain types of investments or undertake new ventures until compliance is restored.

These consequences underline the importance of adherence to established investment guidelines to ensure operational stability, regulatory compliance, and the safeguarding of policyholder interests.



## **Answer 1 Evaluation**

• Relevance: The answer mentions some general consequences of non-compliance, such as reporting to FINMA and corrective measures, but doesn't align with specific sanctions or detailed procedures outlined in the document.