

The document strictly defines a 20% limit on investments in foreign currencies relative to the target amount of the tied assets and emphasizes the importance of aligning the currency of investments with the currency of liabilities to mitigate foreign exchange risk. Answer 2 correctly captures these aspects and presents them accurately, adhering closely to the regulatory framework as outlined in the FINMA circular, making it highly relevant and useful for understanding the investment restrictions in this context.

I need you to analyze a document along with a set of questions and their respective answers. These are related to the provided PDF document. Please evaluate each answer based on their relevance, accuracy, completeness, and clarity in relation to the content of the PDF. Assign a score from 0 to 10 for each answer, where 10 indicates the answer is 100% consistent with the information in the provided document and 0 indicates the answer is completely incorrect and inconsistent with the document.

Question: "What are high-risk investments for insurance companies?"

Answers:

Answer 1.:

1. High-risk investments for insurance companies are those that carry a higher level of uncertainty regarding their return or the risk of loss. These investments are typically characterized by their volatility, which can result in significant gains or losses. Examples of high-risk investments include:

- Equities: Stocks of companies, which can be influenced by market conditions, economic factors, and company-specific risks.
- Bonds with lower credit ratings: These bonds are issued by companies or governments with a higher risk of default, meaning there is a greater chance of not receiving the full amount of the investment back.



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