

is responsible for monitoring the value of its assets on an ongoing basis, understanding the investment process, and ensuring compliance with regulatory requirements. The text also suggests that the insurance company should have the necessary expertise and knowledge to evaluate its investment portfolio effectively. The transfer of investment management to third parties is subject to regulatory oversight, indicating that there are regulatory requirements for the annual evaluation of the investment portfolio.

Answer 2:

The annual evaluation of an insurance company's overall investment portfolio, including tied assets, follows a structured process to ensure compliance with regulatory requirements and effective risk management. Here's how this evaluation typically unfolds:

**Review of Investment Strategy and Policy Compliance:** The process begins with a review of the investment strategy to ensure it aligns with the insurer's liabilities, market conditions, and regulatory requirements. This includes verifying adherence to the strategic asset allocation and investment limits set for various asset categories, including tied assets.

**Asset Valuation:** All assets, including tied assets, are valued at market value or other appropriate valuation standards to assess their current worth accurately. This valuation is crucial for ensuring that the assets adequately cover the insurer's liabilities and for regulatory reporting purposes.

**Risk Assessment:** The portfolio undergoes a thorough risk assessment, which includes analyzing market risk, credit risk, liquidity risk, and other relevant risks. This step helps in identifying

[Get started with ChatGPT](#)