

## Criteria for Including Mortgage Receivables in Tied Assets:

1. **Permissible Property Types:** The mortgaged property must qualify under the specified categories (residential buildings, commercial buildings, and permitted buildings under building law).
2. **Valuation:** Mortgages must be tied to properties that are easily realizable and whose valuation is subject to minimal uncertainty. The mortgage receivables are evaluated at nominal value but must be secure, implying that the underlying properties have reliable, sustainable value.
3. **Loan-to-Value Ratio:** The lending value of the property should not exceed the maximum allowed loan-to-value ratio, ensuring that the mortgage does not exceed the realizable value of the property.
4. **Location:** The property associated with the mortgage must be located within jurisdictions that allow for the swift and uncomplicated realization of the asset, typically within the same country as the insurer.

## Limitations and Additional Conditions:

1. **Maximum Allocation Limits:** The allocation of mortgage receivables to tied assets is limited to ensure diversification and manage concentration risk. Specific limits are placed on the proportion of the total tied assets that can be allocated to mortgages.
2. **Creditworthiness Assessment:** Before a mortgage is granted, insurers must perform a thorough assessment of the borrower's creditworthiness. This includes a detailed evaluation of the



Message ChatGPT

