2. **Priority in Bankruptcy**: In the event of insolvency and subsequent liquidation, tied assets provide a priority claim for policyholders over other creditors. This means that claims arising from insurance contracts are settled first from these tied assets before any other corporate debts or obligations.

3. **Asset Quality and Security**: The assets included in tied assets must be secure, high-quality, and easily realizable. This is to ensure that they can be quickly converted into cash to meet claims without significant loss of value.

4. **Regulatory Oversight**: Insurance companies must comply with stringent regulatory guidelines regarding the quality, diversification, and management of tied assets. These guidelines help ensure that the assets are sufficient to cover all potential claims and are not unduly exposed to high risks.

5. **Regular Reporting and Valuation**: Insurers are required to regularly report the status and value of tied assets to the regulatory authority (FINMA). This allows for ongoing oversight and ensures that the insurer maintains adequate coverage for the insured's claims at all times.

6. **Legal and Operational Measures**: The legal framework mandates that these assets must be unencumbered and exclusively available to meet policyholder claims, particularly in bankruptcy proceedings. The insurer is also obliged to maintain operational capabilities to manage these assets effectively under all circumstances.

These provisions ensure that the interests of policyholders are safeguarded even in adverse situations, such as the insurer's financial distress or insolvency, reinforcing the overall stability and trust in the insurance secto