

accounting purposes. The Circular must be observed for each separate tied asset, whereby in particular the defined limits, coverage obligations, and qualitative requirements for each tied asset must be taken into account. For the separate tied assets of unit-linked life insurance and capitalization transactions, exceptions apply with regard to the limits. The insurance undertaking is not obliged to secure its foreign insurance portfolios with tied assets if equivalent security must be provided abroad. If no equivalent security has to be provided abroad, the security is provided in Switzerland, whereby the provision can be made in separate tied assets. If there is no equivalent guarantee abroad, a supplementary guarantee must be provided in Switzerland. The following criteria are relevant for the equivalence check: special assets.

Answer 2:

Insurance companies are required to manage and report structured product investments with stringent oversight and precision as outlined in the FINMA Circular 2016/5. Here are the main points concerning the management and reporting of these investments:

Compliance with Investment Categories: Structured products must comply with the existing investment categories specified by FINMA. Each component of the structured product (like derivatives within the product) must meet the requirements of the corresponding investment category.

Risk Management: Insurance companies must have a robust system to manage the risks associated with structured products. This includes having qualified personnel and a sound investment strategy that incorporates these products appropriately within the overall portfolio.

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