

When dealing with tied assets in relation to unit-linked life insurance policies, the specific provisions that must be followed include:

1. The investments used as collateral must correspond to those on which the contracts are based (matching cover), ensuring that the insurance company does not bear an additional investment risk.
2. Any guarantees must be secured with investments that replicate the fluctuations in value of these guarantees as well as possible.
3. Other contractual components, non-unit-linked provisions, and any supplement to the target amount must be secured with values in accordance with Art. 79 AVO.
4. The investments underlying the contracts must be used to determine the tied assets, and the quantitative limits of the Circular do not apply to the separate tied assets of unit-linked life insurance.
5. The exposure to a counterparty and securities lending and repurchase agreements must be observed, but these limits may be exceeded if the policyholder has been expressly informed of the possible deviation from these limits before the contract is concluded.
6. The investment principles of security, ALM, profitability, diversification, and liquidity must be observed.
7. Small insurance undertakings with only a small debit amount of tied assets may apply for an exception to the 5% counterparty limit in justified cases, providing reasons for the intended deviation from the counterparty limit and information on the debtor of the claims that account for more than 5% of the target amount of tied assets.
8. The insurance company must review the value of the individual investment on an ongoing basis and take into account any impairment as a result of a deterioration in creditworthiness in the valuation of the investment.
9. The value of an investment is at risk if it requires impairment, and

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