By adhering to these guidelines, insurance companies can manage structured products effectively, minimizing risks and ensuring compliance with regulatory standards.

Based on the content from the FINMA Circular 2016/5 regarding the use of derivatives to hedge credit risks in asset portfolios, here are the evaluations for the two answers provided:

Answer 1 Evaluation:

Relevance: Directly addresses the use of derivatives for credit risk hedging, specifically mentioning credit default swaps (CDS) for both individual securities and indices, which is relevant to the use of derivatives in financial risk management.
Accuracy: Accurately discusses the use of CDSs to hedge credit risks, highlighting the need for a high hedging effect and the alignment of the hedged portfolio with the index portfolio.
Completeness: Provides detailed information on the conditions under which CDSs can be effectively used and recognized, including the impact of the correlation between the portfolios and the hedging effect.
Clarity: Clearly explains the scenarios in which CDSs are effective and their valuation, especially in the context of hedging strategies.

Score: 9/10 - The answer is highly relevant, accurate, and complete with a clear explanation of how CDSs function as a hedging tool against credit risk.

Answer 2 Evaluation:

Relevance: This answer does not address the question regarding derivatives for hedging credit risks directly; instead, it details the management and reporting of structured products broadly.
Accuracy: While detailed, the response is not accurate in the context of the question asked, as it