

Score: 9/10 - Offers a thorough and specific explanation of the principle of diversification as it pertains to tied assets under FINMA regulations, effectively reflecting the regulatory requirements.

Document Insights

The FINMA Circular 2016/5 emphasizes the critical role of diversification in managing tied assets, with specific guidelines on avoiding cluster risks and ensuring investments are spread adequately across various asset classes, geographical regions, and issuers. This is aimed at safeguarding the insurance company's financial stability and ensuring it can meet its obligations to policyholders even under adverse conditions. Answer 2 closely reflects these details, making it a more accurate and relevant response according to the FINMA guidelines.

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PDF

I need you to analyze a document along with a set of questions and their respective answers. These are related to the provided PDF document. Please evaluate each answer based on their relevance, accuracy, completeness, and clarity in relation to the content of the PDF. Assign a score from 0 to 10 for each answer, where 10 indicates the answer is 100% consistent with the information in the provided document and 0 indicates the answer is completely incorrect and inconsistent with the document.

Question: "What limits are set for investments in equities and equity securities?"

Answers:

Answer 1.:

1. The limits set for investments in equities and equity securities are as follows: