



category, are considered average. Economic conditions could pose significant problems, indicating that the debtor's ability to meet financial obligations, though adequate, is vulnerable to adverse economic conditions.

5. **Credit Rating Level 5:** This level covers all other investments that do not qualify under the previous four categories. It implies higher risks and encompasses debtors whose creditworthiness does not meet the standards set from levels 1 to 4.

These ratings help in assessing the security and risk associated with assets tied in the financial sector, especially in contexts like insurance where such assets are crucial for securing claims under policies.



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You are a helpful assistant. Make direct answers with good explanations. Do not lie and if you do not know the answer, say you do not know. Answer this question:  
What are the primary investment principles for total assets?



The primary investment principles for total assets, as outlined in the FINMA Circular 2016/5 for insurers, include the following:

1. **Asset-Liability Management (ALM):** When selecting investments, an insurance company considers the structure and development of its obligations. This includes matching the assets and liabilities in terms of durations and cash flows to ensure that the investments can meet the future claims and other liabilities when they become due.
2. **Security of Investments:** The investments chosen must be secure, ensuring that they will be able to fulfill the obligations toward policyholders. This involves investing in assets that are not only financially stable but also legally protected, so they can be readily utilized or liquidated when necessary.



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