

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.
3. **Appropriate Diversification:** To minimize risks, investments must be appropriately diversified across different asset classes, geographic regions, and issuers. Diversification helps to manage and mitigate potential losses in any single investment or sector.
4. **Liquidity:** The investment portfolio must maintain sufficient liquidity to meet the insurance company's foreseeable needs. This is crucial for managing claims and other financial obligations without the need to liquidate investments under unfavorable conditions.
5. **Profitability:** While security and liquidity are paramount, the investments also need to generate a reasonable return. This balances the need to protect the capital with the requirement to grow the assets to cover liabilities and support the profitability of the insurer.

These principles guide the investment strategies to ensure that they align with the company's overall financial health and obligations to policyholders, aiming to achieve an optimal balance between risk and return within the regulatory framework.



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