



Answer 2:

To effectively manage and report on structured product investments, insurance companies must adhere to stringent regulatory standards and internal guidelines. Here's a detailed breakdown of the approach:

Management

1. **Risk Assessment and Due Diligence**:

- Insurance companies must thoroughly assess the risks associated with structured products, including market, credit, and liquidity risks.
- A comprehensive due diligence process is necessary to understand all the components of the structured product, such as underlying assets and derivative components.

2. **Qualified Personnel**:

- Companies must ensure that personnel managing structured products are well-qualified and have the requisite knowledge and experience.
- Staff should be familiar with the specific complexities of structured products to manage them effectively.

3. **Investment Strategy**:

- Structured products should be integrated into the overall investment strategy of the company.
- The strategy must account for the risk profile and investment objectives of the company, ensuring that these products are suitable for their portfolio.

4. **Risk Management Systems**:

- Robust risk management systems need to be in place to monitor and control the risks associated with structured products continually.
- This includes setting limits on exposure to structured products and ensuring these limits



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