

Therefore, the claims of non-life insurers against reinsurers are treated by including the reinsured portions of the provisions in the special fund, which is a form of tied asset, through an analogous system for offsetting the reinsured portions of the provisions. This system ensures that the entire technical provisions are covered, and the gross principle is considered to be met, while also maintaining the security and value of the investment fund as required by the investment guidelines of the local supervisory authority.

Answer 2:

The treatment of claims of non-life insurers against reinsurers in the context of tied assets, according to the FINMA Circular 2016/5, involves specific guidelines to ensure these claims contribute effectively and securely to the insurer's solvency requirements.

Here's how these claims are treated:

Principles for Claims of Non-Life Insurers Against Reinsurers

Offsetting Against Tied Assets: The reinsured portions of the provisions are offset against the tied assets of non-life insurance companies. This means that recoveries expected from reinsurers are considered part of the assets backing the insurer's obligations.

Application for Offsetting: The process requires an application to FINMA whenever an insurer wishes to offset the reinsured portions of its provisions against the tied assets. This involves specifying the reinsurer and the amount covered by reinsurance.

Crediting and Limits

General Crediting: Generally, the reinsured portions are credited at

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