

2. **Matching Cover**: The principle of matching cover requires that the investments correlate with the currency and duration characteristics of the liabilities they are meant to cover, ensuring effective risk mitigation related to currency and duration mismatches.

3. **Request for Exceptions**: Insurance companies may request deviations from these limits if they can demonstrate that the deviations will not negatively impact the solvency of the company. Such requests must show that the insurance company maintains an appropriate risk management system for the relevant asset classes.

These limitations and conditions are crucial for ensuring that the credit exposure of tied assets is managed in a way that prioritizes the solvency and liquidity needs of the insurance company, protecting against potential losses from counterparty defaults.



Evaluation of Answers:

Answer 1:

- **Relevance**: Answer 1 misses specific provisions on how claims against reinsurers are treated in tied assets, such as crediting and limits based on credit ratings.
- **Accuracy**: The answer is not accurate as it does not provide details on how claims against reinsurers are credited and the specific limits based on credit ratings.
- **Completeness**: This answer does not mention the crediting rates or the different limits based on the credit rating of the reinsurer, which are crucial for this context.
- **Clarity**: Although the answer is written in a clear manner, it lacks crucial details that make it not



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