

Frequently asked questions (FAQs)

Protection of policyholders — tied assets

(last amended on 1 April 2009)

1. Are the claims of policyholders secured if an insurance company domiciled in Switzerland becomes insolvent?

The central task of regulatory supervision of the insurance industry is to secure the claims of policyholders, i.e. the provision of solvency protection so that policyholders are safeguarded against the consequences of an insurance company becoming insolvent. In order to secure the claims of policyholders, an insurance company has to establish sufficient technical provisions in accordance with actuarial principles. These technical provisions must be covered by tied assets at all times.

The investment of tied assets is subject to stringent provisions with regard to diversification (spreading of risk), permissible investment categories, risk management and capital asset management.

When an insurance company becomes insolvent, the proceeds from the disposal of its tied assets are used first and foremost to satisfy the claims of insurance contracts. Rightful claimants therefore possess a preferential status as compared to other creditors because in the event of insolvency their claims are satisfied from the proceeds from the disposal of the tied assets before any other creditors.

2. Who can I contact if I have further questions?

questions@finma.ch or Phone +41 31 327 91 00