



# Special requirements for insurance class B14: "credit"

## Equalisation provisions

### Non life insurance

Status as at:

1st January 2006

Insurers operating the insurance class "credit" must establish equalisation provisions to cover possible technical losses in this class at the end of a financial year. Insurers with premiums from this class of less than 4 % of total premiums or a sum not exceeding CHF 4 million need not establish such provisions.

The equalisation provisions must amount to at least 134 % of average annual premium collected by the insurer on its own account during the last 5 financial periods. The funds for these provisions come from a retention of 75 % on any technical surplus in the insurance class "credit". If the equalisation provisions reach the above 134 %, the retention is no longer compulsory.

The equalisation provisions are a component of the required value of tied assets (Art.68, par.1d, Insurance Supervision Decree - ISD).

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