

FACT BOOK

FACT BOOK 2008-2009

GENERAL INSURANCE IN JAPAN



THE GENERAL INSURANCE ASSOCIATION OF JAPAN

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PART I

BUSINESS RESULTS



Key Figures of the General Insurance Business for Fiscal 2008

1 The Number of General Insurance Companies

Total: **50**
 Domestic insurers: **30**
 Foreign insurers: **20**

A total of 30 domestic and 20 foreign insurers are operating.

As of December 1, 2009, a total of 50 general insurance companies were operating in Japan; a total of 30 companies were licensed as domestic insurers, including 4 foreign capital domestic insurers, while 20 companies were licensed as foreign insurers.

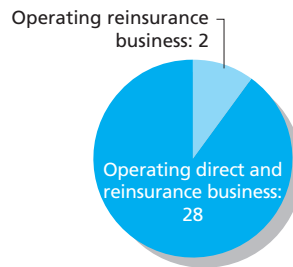
The number of people working in general insurance companies, including management, sales staff and temporary staff, was 90,765 as of April 1, 2009.

Domestic insurers: Licensed as domestic insurer

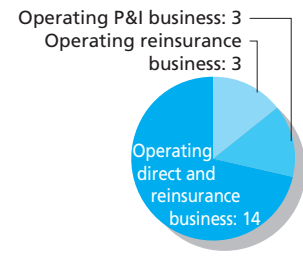
Domestic insurers with foreign capital: Licensed as domestic insurer which includes foreign capital of over 50%.

Foreign insurer: Licensed on a branch or agent basis

Domestic insurers



Foreign insurers



2 The Number of Agencies and Sales Staff of Agencies

The number of agencies
 (at the end of March 2009):
217,864

The number of sales staff
 in agencies (at the end of
 March 2009):
2,154,962

While the number of agencies decreased by about 7.6%, the number of sales staff increased by about 0.3%.

There are 217,864 general insurance agencies of domestic and foreign general insurers and 2,154,962 sales staff are engaged in the agency business.

These agencies shared 92.9% of the written direct premiums in fiscal 2008.

The number of agencies



The number of sales staff in agencies



General insurance agency: A general insurance agency is commissioned by an insurance company, and markets insurance products to customers.

3 Premiums

Direct premiums:
7,980.1 billion yen

Net premiums:
7,161.8 billion yen

Direct premiums: gross direct premiums (including the savings portion of maturity-refund type insurance premiums) – various returns other than maturity refunds (including return premiums for cancellation, no-claim returns, and return premiums resulting from the decrease of insurable risks)

Net premiums: direct premiums written + inward reinsurance net premiums – outward reinsurance net premiums – savings portion of maturity-refund type insurance premiums

Direct premiums decreased by about 4%, and net premiums also decreased by about 4%.

The total of direct premiums, including the savings portion thereof, written in fiscal 2008 was 7,980.1 billion yen, down 3.7%, and the total of net premiums written was 7,161.8 billion yen, down 4.1% (The figures are the totals for GIAJ member companies.).

■ Direct premiums



■ Net premiums



4 The Amount of Claims Paid

Net claims paid:
4,399.5 billion yen

Net claims: direct claims paid + inward reinsurance net claims paid – outward reinsurance claims received

The amount of net claims paid increased by about 1% over the previous year.

Net claims paid on all classes of insurance business during fiscal 2008 amounted to 4,399.5 billion yen, an increase of 62.8 billion yen compared with the previous term due to increased claims payments for miscellaneous casualty insurance, personal accident insurance, etc. (The figures are the totals for GIAJ member companies.).

■ Net claims paid



5 Assets and Investment

Total assets:

29,941.1 billion yen

Working assets:

26,516.8 billion yen

Total assets: Total assets are the total of working assets and other assets (such as amounts due from the agency business, amounts due from other domestic insurance companies for reinsurance, etc.)

Working assets: Working assets include deposits, call loans, monetary receivables bought, money trusts, securities, loans, real estate, etc.

Total assets decreased by about 14%, and working assets also decreased by about 18%.

The total assets decreased to 29,941.1 billion yen, down 13.7%, reflecting a fall in market value of securities. Working assets also decreased to 26,516.8 billion yen, down 17.8% (The figures are the totals for GIAJ member companies.).

Total assets



Working assets



6 Ordinary Profits and Net Profits for the Current Year

Ordinary profits:

-257.9 billion yen

Net profits:

-81.0 billion yen

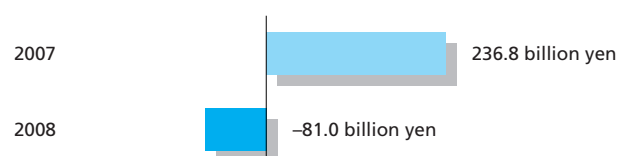
As for ordinary profits and net profits for the current year, they showed a deficit of 257.9 billion yen and 81.0 billion yen respectively.

Ordinary profits for fiscal 2008 registered a deficit of 257.9 billion yen, due to larger expenses incurred for asset investment, and net profits after tax also posted a deficit of 81.0 billion yen accordingly (The figures are the totals for GIAJ member companies.).

Ordinary profits



Net profits



Ordinary profit: The total of (underwriting income – expenses) + (investment income – expenses) – (other ordinary expenses)

Net profit: The total of ordinary profits including special profits or losses minus corporate income taxes, corporate resident taxes, etc.

7 Loss Ratio and Operating Expenses Ratio

Loss ratio:

66.6%

Operating expenses ratio:

35.1%

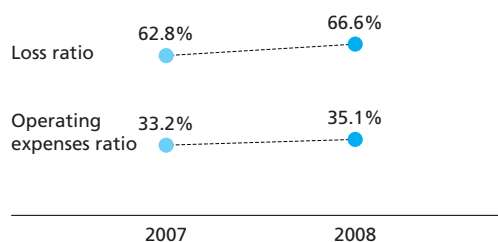
The loss ratio increased by 3.8 percentage points, and the operating expenses ratio also increased by 1.9 percentage points.

The loss ratio increased by 3.8 percentage points to 66.6% due to the decrease in the amount of net premiums written as well as increased claims payment. The operating expenses ratio also increased by 1.9 percentage points to 35.1% in fiscal 2008 (The figures are the totals for GIAJ member companies.).

Loss ratio: The ratio of claims paid plus loss adjustment expenses to net premiums written

Operating expenses ratio: The ratio of agency commission and brokerage plus operating and general administrative expenses on underwriting to net premiums written

Loss ratio / Operating expenses ratio



8 Ownership of General Insurance Policies

Earthquake: **45.0%**
(at the end of March 2009)

Voluntary Automobile
(bodily injury liability):

72.2%

(at of the end of March 2008)

Voluntary Automobile
(property damage liability):

72.2%

(as of the end of March 2008)

Ownership of Earthquake Insurance on Dwelling Risks, which represents the ratio of the number of earthquake insurance policies to the number of fire insurance policies effected, increased to 45.0% in fiscal 2008.

Ownership of general insurance policies by line are as follows:

Ownership by line



Ownership of Earthquake Insurance on Dwelling Risks Policies

Fiscal Year	2004	2005	2006	2007	2008
National Average	37.4%	40.3%	41.7%	44.0%	45.0%

Source: The Non-Life Insurance Rating Organization of Japan.

Ownership of Voluntary Automobile Insurance

Fiscal Year	2003	2004	2005	2006	2007
Number of Registered Automobiles (thousand)	77,390	78,279	78,992	79,236	79,080
Bodily Injury Liability	71.1%	71.0%	71.2%	71.5%	72.2%
Property Damage Liability	70.7%	70.8%	71.1%	71.5%	72.2%
Passengers' Personal Accident	61.2%	59.6%	59.0%	58.6%	58.6%
Physical Damage	35.7%	36.3%	37.3%	38.3%	39.5%

Source: The Non-Life Insurance Rating Organization of Japan.

II

Major Events

	Legislation / Administrative Events	Industry Events	Accidents and Disasters
2008 March	<input type="checkbox"/> A bill on the Insurance Contract Law submitted to the Diet <input type="checkbox"/> Partial revision of the "Enforcement Regulation of the Insurance Business Law" (related to a rule on the accumulation of liability reserves for 3rd sector insurance products, etc.) <input type="checkbox"/> Partial revision of the "Comprehensive Guidelines for Supervision of Insurance Companies" (related to the prevention of loss or damage caused by antisocial forces)	<input type="checkbox"/> The GIAJ became a Certified Investor Protection Organization. <input type="checkbox"/> "Freshers' Guide (Buyers' Guide for the Young)" drawn up by the GIAJ <input type="checkbox"/> "Guideline on Making Policy Wordings More Consumer-Friendly" drawn up by the GIAJ <input type="checkbox"/> "Sustainability Report" published by the GIAJ	
April			
May	<input type="checkbox"/> "The Insurance Contract Law" enacted in the Diet	<input type="checkbox"/> The 4th session of the "Free Discussion on Comparison of Insurance Products" held <input type="checkbox"/> The GIAJ launched pages exclusively for consumers on its website.	
June	<input type="checkbox"/> "The Insurance Contract Law" promulgated <input type="checkbox"/> Partial revision of the "Enforcement Regulation of the Insurance Business Law" (related to the trust business)	<input type="checkbox"/> The GIAJ introduced an examination system where general insurance agents and solicitors are required to renew their credentials every five years. <input type="checkbox"/> Report on "Free Discussion on Comparison of Insurance Products" compiled by the GIAJ <input type="checkbox"/> "Guideline on Technical Terms used in Wordings and Solicitation Materials" drawn up by the GIAJ <input type="checkbox"/> "General Insurance Counseling Guide" drawn up by the GIAJ <input type="checkbox"/> "Guideline on Appropriate Insurance Soliciting Activities" drawn up by the GIAJ	<input type="checkbox"/> Iwate/Miyagi Earthquake
July	<input type="checkbox"/> Publication of "Issues Facing Improvement of Alternative Dispute Resolution System in the Financial Industry Sector" (Chairman's Memorandum) <input type="checkbox"/> Results of confirmation surveys of fire insurance premiums, etc. reported to the Financial Services Agency		<input type="checkbox"/> Earthquake centered on the north shore of Iwate prefecture
August			<input type="checkbox"/> Downpours at the end of August 2008 (Aichi, Saitama, and Chiba)
September		<input type="checkbox"/> "Safe Driving Check Sheet for Senior Citizens" drawn up and "Good to Know Guide - Easy Reference on How to Buy Insurance (Buyers' Guide for Senior Citizens)" revised by the GIAJ	
October		<input type="checkbox"/> "General Insurance Arbitration Committee" established in Osaka <input type="checkbox"/> Theft Prevention Day <input type="checkbox"/> The GIAJ launched pages exclusively for "Maps of Traffic Accident-prone Intersections in Japan" on its website. <input type="checkbox"/> "Compliance Guideline for Solicitation" revised by the GIAJ	
November		<input type="checkbox"/> "Insurance Product Learning System" launched	
December	<input type="checkbox"/> Partial revision of the "Enforcement Regulation of the Insurance Business Law" (related to the expansion of the business scope of insurance companies and their subsidiaries, etc.) <input type="checkbox"/> Publication of a report by the joint meeting of the First and the Second Subcommittees of the Sectional Committee on Financial System of the Financial System Council: "Roles of Alternative Dispute Resolution System in the Financial Industry Sector"		

	Legislation / Administrative Events	Industry Events	Accidents and Disasters
2009 January			
February		<input type="checkbox"/> "General Insurance Buyers' Guide" revised by the GIAJ <input type="checkbox"/> "Guideline on Prevention of Moral Risks in Personal Accident Insurance, etc." drawn up by the GIAJ <input type="checkbox"/> "Self-Imposed Guideline on Payment for Insurance Claims" revised by the GIAJ	
March	<input type="checkbox"/> Partial revision of the "Enforcement Regulation of the Insurance Business Law" (related to the expansion of the business which is allowed to be conducted by subsidiaries of an insurance company concurrently, when the insurance company represents the businesses or carries out services on behalf of another insurance company)	<input type="checkbox"/> "Sustainability Report" published by the GIAJ	
April	<input type="checkbox"/> Enforcement of the revised Law against Unjustifiable Premiums and Misleading Representations (related to the introduction of a class action system for consumers) <input type="checkbox"/> Partial revision of the "Enforcement Regulation of the Insurance Business Law" (related to insurance against loss of life of minors) <input type="checkbox"/> Partial revision of the "Comprehensive Guidelines for Supervision of Insurance Companies" (related to the Insurance Contract Law)	<input type="checkbox"/> "Guideline for Description of Solicitation Materials, etc." revised by the GIAJ <input type="checkbox"/> "Guidelines for the Policy Overview and the Warning Information" revised by the GIAJ <input type="checkbox"/> "Guidelines for 3rd Sector Insurance Products" revised by the GIAJ	
May			
June	<input type="checkbox"/> Partial revision of the "Insurance Business Law" (related to the review of regulations on fire walls and establishment of a system to manage conflicts of interests) <input type="checkbox"/> Promulgation of the "Three Laws related to the Consumer Affairs Agency" <input type="checkbox"/> Publication of an interim report by the working group on basic issues concerning the insurance business of the Second Subcommittee of the Sectional Committee on Financial System of the Financial System Council <input type="checkbox"/> Promulgation of the "Law on Partial Revision of the Financial Instruments and Exchange Law, etc." (related to the establishment of an alternative dispute resolution system in the financial industry sector) <input type="checkbox"/> Promulgation of the "Law on Partial Revision of the Law on Prohibition of Private Monopolization and Maintenance of Fair Trade"	<input type="checkbox"/> "Guideline on Comparison of General Insurance Products (Automobile Insurance)" drawn up by the GIAJ <input type="checkbox"/> "Guideline on Technical Terms used in Wordings and Solicitation Materials" revised by the GIAJ	
July		<input type="checkbox"/> "Eco and Safe Driving Club" launched	<input type="checkbox"/> Downpours in Chugoku and Northern Kyushu in July 2009



1. Income Statement

(in billions of yen & %)

Item	Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth
Ordinary Profit and Loss				
Underwriting Income	8,722.2	-2.1	8,682.3	-0.5
Net Premiums Written	7,470.0	-0.9	7,161.8	-4.1
Savings Portion of Maturity-refund type Insurance Premiums	779.5	-11.8	676.3	-13.2
Underwriting Expenses	7,558.7	-3.6	7,392.7	-2.2
Net Claims Paid	4,336.7	-0.0	4,399.5	1.4
Loss Adjustment Expenses	358.2	5.7	368.9	3.0
Agency Commissions and Brokerage	1,253.6	-1.0	1,246.0	-0.6
Maturity Refunds to Policyholders	1,343.6	-9.6	1,204.7	-10.3
Net Provision for / Net Reversal of Outstanding Loss Reserves	106.5	-41.9	20.0	-81.2
Net Provision for / Net Reversal of Underwriting Reserves	-67.5	-411.8	-456.1	—
Investment Income	836.8	20.2	661.9	-20.9
Interest and Dividend Income	740.3	14.9	592.8	-19.9
Profits on Sales of Securities	298.4	10.9	289.5	-3.0
Investment Expenses	317.5	211.7	857.2	170.0
Losses on Sales of Securities	67.9	101.1	104.4	53.7
Losses on Revaluation of Securities	69.2	272.0	512.7	641.0
Operating and General Administrative Expenses	1,306.8	4.8	1,349.2	3.2
Operating and General Administrative Expenses on Underwriting	1,222.8	5.3	1,268.5	3.7
Other Ordinary Profits and Losses	2.4	-63.2	-3.0	-225.6
Ordinary Profits	378.4	-8.8	-257.9	-168.2
Underwriting Profits	-63.9	—	16.2	—
Special Profits and Losses Balance	-26.0	—	151.9	—
Profits for the Current Year before Corporate Taxes	352.3	-3.1	-106.0	-130.1
Corporate Income Taxes and Corporate Resident Taxes	185.2	8.3	69.6	-62.4
Adjustments in Corporate Income Taxes, etc.	-69.7	—	-94.6	—
Total Income Taxes	—	—	-25.0	—
Net Profits for the Current Year	236.8	-5.6	-81.0	-134.2

2. Abridged Balance Sheet

<Assets>

(in billions of yen & %)

Item	Fiscal 2007		Fiscal 2008	
	Amount	Share	Amount	Share
Deposits	900.9	2.6	889.6	3.0
Call Loans	577.3	1.7	577.5	1.9
Receivables under Resales Agreements	96.9	0.3	414.9	1.4
Monetary Receivables Bought	1,668.8	4.8	404.8	1.4
Money Trusts	202.8	0.6	95.3	0.3
Securities	25,011.3	72.0	20,466.8	68.4
National Government Bonds	4,672.8	13.5	4,393.6	14.7
Local Government Bonds	710.7	2.0	654.8	2.2
Corporate Bonds	4,212.0	12.1	3,915.3	13.1
Stocks	9,464.4	27.3	6,146.9	20.5
Foreign Securities	5,271.6	15.2	4,868.7	16.3
Other Securities	679.7	1.9	487.5	1.6
Loans	2,647.4	7.6	2,550.6	8.5
Real Estate	1,140.9	3.3	1,117.3	3.7
Total Working Assets	32,246.2	92.9	26,516.8	88.6
Other Assets	2,462.9	7.1	3,424.3	11.4
Total Assets	34,709.1	100.0	29,941.1	100.0

(Notes) "Other Assets" is composed of 1) Cash in hand, 2) Furniture and fixtures, 3) Construction in progress, 4) Amounts due from agency business, 5) Amounts due from other domestic companies for reinsurance, 6) Customer's liability for acceptance and guarantee, 7) Deferred tax assets, and 8) Miscellaneous.

<Liabilities and Equities>

(in billions of yen & %)

Item	Fiscal 2007		Fiscal 2008	
	Amount	Share	Amount	Share
Underwriting Reserves	23,183.9	66.8	22,740.4	76.0
Outstanding Loss Reserves	3,244.2	9.3	3,260.3	10.9
Underwriting Reserves	19,939.7	57.5	19,480.1	65.1
Other Liabilities	4,661.4	13.4	2,941.7	9.8
Total Liabilities	27,845.4	80.2	25,682.1	85.8
Capital	842.0	2.4	873.5	2.9
Suspense Receipts on Capital Subscriptions	-	-	-	-
Additional Paid in Capital	481.0	1.4	510.9	1.7
Earned Surplus	2,060.5	5.9	1,651.3	5.5
Earned Surplus Carried Forward	215.9	0.6	27.6	0.1
Treasury Stock	-80.8	-0.2	-75.1	-0.3
Unrealized Gain on Securities, Net of Income Taxes	3,556.5	10.3	1,279.1	4.3
Deferred Gains and Losses on Hedge Transactions	15.6	0.0	30.2	0.1
Land and Revaluation Excess	-12.3	-0.0	-12.8	-0.0
Stock Acquisition Right	1.3	0.0	2.1	0.0
Total Equities	6,863.7	19.8	4,259.0	14.2
Total Liabilities and Equities	34,709.1	100.0	29,941.1	100.0

(Notes) "Other Liabilities" consists of 1) Amounts due to other domestic insurance companies for reinsurance, 2) Accrued taxes, 3) Convertible bonds, 4) Reserves for bad debts and for retirement allowance, 5) Acceptance and guarantee, and 6) Miscellaneous.

3. Direct Premiums by Line

Class of Business	Fiscal 1999		Fiscal 2000		Fiscal 2001		Fiscal 2002	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,744,255	-1.7	1,583,618	-9.2	1,507,526	-4.8	1,493,409	-0.9
Maturity-refund type	722,007	-4.3	566,342	-21.6	478,285	-15.5	452,097	-5.5
Voluntary Automobile	3,599,908	0.8	3,649,981	1.4	3,676,513	0.7	3,605,362	-1.9
Maturity-refund type	3,023	—	13,536	347.8	14,757	9.0	12,942	-12.3
Personal Accident	2,049,840	-10.7	1,831,264	-10.7	1,625,266	-11.2	1,578,112	-2.9
Maturity-refund type	1,430,574	-14.7	1,226,984	-14.2	1,041,031	-15.2	994,982	-4.4
Miscellaneous Casualty	733,633	-1.7	758,578	3.4	783,911	3.3	779,889	-0.5
Maturity-refund type	39,739	-10.0	47,422	19.3	27,874	-41.2	17,958	-35.6
Burglary	27,610	-2.9	28,325	2.6	26,288	-7.2	23,565	-10.4
Glass	2,666	-10.7	2,431	-8.8	2,178	-10.4	1,991	-8.6
Aviation	13,696	14.2	14,625	6.8	38,463	163.0	51,358	33.5
Windstorm & Flood	335	76.7	329	-1.8	250	-24.2	247	-1.0
Guarantee	14,432	1.3	13,422	-7.0	16,698	24.4	12,887	-22.8
Credit	14,482	52.3	20,052	38.5	25,632	27.8	31,326	22.2
Workers' Accident Compensation Liability	94,778	-8.3	98,371	3.8	85,157	-13.4	79,695	-6.4
Maturity-refund type	19,315	-1.8	24,530	27.0	13,853	-43.5	12,687	-8.4
Boiler & Turbo-set	2,697	-4.9	2,657	-1.5	2,602	-2.0	2,395	-8.0
Livestock	2,853	1.1	2,883	1.0	2,672	-7.3	3,047	14.0
General Liability	305,063	0.3	309,747	1.5	332,680	7.4	334,445	0.5
Machinery & Erection	37,535	-5.7	37,085	-1.2	36,181	-2.4	33,734	-6.8
Shipowners' Liability for Passengers' Personal Accident	1,075	-4.5	998	-7.2	830	-16.8	842	1.5
Contractors' All Risks	35,511	-0.4	35,345	-0.5	35,322	-0.1	34,375	-2.7
Atomic Energy	11,235	-1.9	11,024	-1.9	10,318	-6.4	11,065	7.2
Movables Comprehensive	118,508	-0.4	122,380	3.3	121,913	-0.4	120,005	-1.6
Maturity-refund type	3,495	-9.3	1,931	-44.8	949	-50.8	589	-37.9
Miscellaneous Pecuniary Loss	51,158	-12.5	58,904	15.1	46,727	-20.7	38,912	-16.7
Maturity-refund type	16,929	-17.9	20,962	23.8	13,071	-37.6	4,682	-64.2
Pet	—	—	—	—	—	—	—	—
Marine and Inland Transit	251,504	-10.1	250,478	-0.4	250,727	0.1	251,189	0.2
Marine Hull	59,726	-12.5	57,035	-4.5	63,072	10.6	57,957	-8.1
Marine Cargo	127,905	-13.0	128,512	0.5	124,143	-3.4	130,442	5.1
Inland Transit	63,873	-0.8	64,931	1.7	63,512	-2.2	62,790	-1.1
Subtotal	8,379,140	-3.3	8,073,919	-3.6	7,843,944	-2.8	7,707,962	-1.7
Compulsory Automobile Liability	980,473	2.6	987,786	0.7	986,577	-0.1	1,190,710	20.7
Grand total	9,359,613	-2.7	9,061,706	-3.2	8,830,521	-2.6	8,898,672	0.8
Maturity-refund type	2,195,343	-11.3	1,854,285	-15.5	1,561,947	-15.8	1,477,980	-5.4

(Notes) 1. Figures include direct premiums written abroad.

2. Direct Premiums Written = Gross Direct Premiums (including the Savings Portion of Maturity-refund type Insurance return premiums resulting from the decrease of insurable risks)

(in millions of yen & %)

Fiscal 2003		Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
1,471,055	-1.5	1,463,668	-0.5	1,486,268	1.5	1,455,136	-2.1	1,402,341	-3.6	1,402,328	-0.0
390,256	-13.7	363,916	-6.7	334,870	-8.0	298,214	-10.9	271,036	-9.1	253,328	-6.5
3,553,918	-1.4	3,503,607	-1.4	3,501,836	-0.1	3,518,501	0.5	3,495,243	-0.7	3,447,541	-1.4
10,183	-21.3	8,180	-19.7	7,433	-9.1	6,759	-9.1	6,064	-10.3	5,295	-12.7
1,485,479	-5.9	1,478,874	-0.4	1,377,460	-6.9	1,293,711	-6.1	1,205,443	-6.8	1,109,850	-7.9
900,915	-9.5	864,428	-4.0	737,305	-14.7	644,512	-12.6	559,501	-13.2	471,663	-15.7
776,931	-0.4	784,793	1.0	796,556	1.5	829,201	4.1	828,219	-0.1	853,364	3.0
12,279	-31.6	8,628	-29.7	9,448	9.5	3,487	-63.1	3,846	10.3	1,417	-63.2
20,343	-13.7	18,784	-7.7	17,875	-4.8	15,587	-12.8	13,714	-12.0	12,915	-5.8
1,838	-7.7	1,692	-7.9	1,504	-11.1	1,302	-13.2	1,222	-6.1	1,045	-14.5
48,103	-6.3	35,738	-25.7	32,321	-9.6	30,050	-7.0	28,007	-6.8	23,654	-15.5
252	2.1	366	45.1	411	12.3	325	-20.5	233	-28.3	260	11.6
11,026	-14.4	10,430	-5.4	10,713	2.7	11,913	11.3	11,511	-3.4	12,060	4.8
30,568	-2.4	30,263	-1.0	30,102	-0.5	31,999	6.3	33,879	5.9	38,928	14.9
75,685	-5.0	70,090	-7.4	69,549	-0.8	63,305	-9.0	62,747	-0.9	58,363	-7.0
10,746	-15.3	6,471	-39.8	8,190	26.6	3,016	-63.2	3,585	18.9	1,284	-64.2
2,528	5.6	2,412	-4.6	2,357	-2.3	2,360	0.1	2,351	-0.4	2,278	-3.1
3,007	-1.3	3,204	6.6	3,182	-0.7	3,541	11.3	3,570	0.8	3,303	-7.5
356,603	6.6	382,224	7.2	401,330	5.0	436,922	8.9	438,674	0.4	440,181	0.3
32,261	-4.4	32,665	1.3	34,583	5.9	35,905	3.8	35,540	-1.0	34,325	-3.4
814	-3.3	759	-6.7	781	2.9	722	-7.2	743	2.9	733	-1.3
34,450	0.2	36,404	5.7	36,993	1.6	40,607	9.8	41,079	1.2	40,792	-0.7
10,874	-1.7	10,426	-4.1	11,252	7.9	11,356	1.0	11,007	-3.1	10,301	-6.4
113,212	-5.7	107,732	-4.8	103,934	-3.5	103,073	-0.8	100,030	-3.0	95,327	-4.7
305	-48.2	155	-48.9	41	-73.2	2	-94.9	0	-100.0	0	—
35,367	-9.1	41,596	17.6	39,663	-4.6	40,148	1.2	43,816	9.1	72,368	65.2
1,228	-73.8	2,001	62.9	1,215	-39.2	468	-61.4	257	-45.1	134	-47.9
—	—	—	—	—	—	—	—	—	—	6,441	—
258,862	3.1	269,166	4.0	284,759	5.8	303,734	6.7	317,485	4.5	298,629	-5.9
59,136	2.0	58,680	-0.8	62,747	6.9	68,359	9.0	72,617	6.2	73,110	0.7
134,959	3.5	143,754	6.5	154,022	7.1	166,997	8.4	175,170	4.9	156,343	-10.7
64,767	3.1	66,731	3.0	67,989	1.9	68,369	0.6	69,690	1.9	69,167	-0.8
7,546,244	-2.1	7,500,110	-1.1	7,446,881	-0.7	7,400,330	-0.6	7,248,776	-2.0	7,111,754	-1.9
1,201,820	0.9	1,189,010	-1.1	1,144,548	-3.7	1,128,961	-1.4	1,041,570	-7.7	868,362	-16.6
8,748,064	-1.7	8,689,120	-0.7	8,591,430	-1.1	8,529,291	-0.7	8,290,346	-2.8	7,980,116	-3.7
1,313,633	-11.1	1,245,154	-5.2	1,089,058	-12.5	952,972	-12.5	840,447	-11.8	731,703	-12.9

Premiums) - Various Returns other than Maturity Refunds (including return premiums for cancellation, no-claim returns, and

4. Net Premiums by Line

(in millions of yen & %)

Class of Business	Fiscal 1999		Fiscal 2000		Fiscal 2001		Fiscal 2002		Fiscal 2003	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,105,163	-1.1	1,053,735	-4.7	1,031,948	-2.1	1,030,541	-0.1	1,044,867	1.4
Voluntary Automobile	3,605,062	0.8	3,650,119	1.2	3,674,497	0.7	3,612,464	-1.7	3,558,174	-1.5
Personal Accident	705,765	-1.8	676,576	-4.1	645,609	-4.6	636,727	-1.4	631,012	-0.9
Miscellaneous Casualty	676,203	-1.7	692,325	2.4	725,448	4.8	760,987	4.9	766,194	0.7
Marine and Inland Transit	232,122	-11.1	231,463	-0.3	231,843	0.2	233,426	0.7	241,279	3.4
Marine Hull	59,697	6.7	44,901	-24.8	47,810	6.5	44,059	-7.8	44,709	1.5
Marine Cargo	111,659	-22.2	124,864	11.8	123,963	-0.7	130,732	5.5	136,367	4.3
Inland Transit	60,754	-1.7	61,684	1.5	60,059	-2.6	58,624	-2.4	60,190	2.7
Subtotal	6,324,405	-0.6	6,304,301	-0.3	6,309,424	0.1	6,274,207	-0.6	6,241,589	-0.5
Compulsory Automobile Liability	564,942	2.0	569,835	0.9	572,171	0.4	1,011,677	76.8	1,195,639	18.2
Grand total	6,889,347	-0.4	6,874,136	-0.2	6,881,595	0.1	7,285,884	5.9	7,437,228	2.1

(in millions of yen & %)

Class of Business	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,030,154	-1.4	1,080,722	4.9	1,085,433	0.4	1,055,422	-2.8	1,065,231	0.9
Voluntary Automobile	3,507,923	-1.4	3,507,502	0.0	3,525,092	0.5	3,502,621	-0.6	3,456,548	-1.3
Personal Accident	649,832	3.0	666,360	2.5	669,354	0.4	659,263	-1.5	647,178	-1.8
Miscellaneous Casualty	779,402	1.7	803,847	3.1	832,604	3.6	828,328	-0.5	834,096	0.7
Marine and Inland Transit	252,668	4.7	270,257	7.0	288,652	6.8	299,379	3.7	275,559	-8.0
Marine Hull	44,504	-0.5	47,909	7.7	52,668	9.9	55,281	5.0	55,211	-0.1
Marine Cargo	146,003	7.1	158,657	8.7	171,672	8.2	178,192	3.8	154,666	-13.2
Inland Transit	62,151	3.3	63,685	2.5	64,304	1.0	65,900	2.5	65,672	-0.3
Subtotal	6,220,035	-0.3	6,328,735	1.7	6,401,188	1.1	6,345,070	-0.9	6,278,665	-1.0
Compulsory Automobile Liability	1,191,923	-0.3	1,156,706	-3.0	1,135,988	-1.8	1,124,977	-1.0	883,171	-21.5
Grand total	7,411,958	-0.3	7,485,441	1.0	7,537,176	0.7	7,470,047	-0.9	7,161,836	-4.1

(Note) Net Premiums Written = Direct Premiums Written + Inward Reinsurance Net Premiums – Outward Reinsurance Net Premiums – Savings Portion of Maturity-refund type Insurance Premiums

5. Direct Claims by Line

(in millions of yen & %)

Class of Business	Fiscal 1999		Fiscal 2000		Fiscal 2001		Fiscal 2002		Fiscal 2003	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	544,388	21.6	363,808	-33.2	324,995	-10.7	291,620	-10.3	310,507	6.5
Voluntary Automobile	2,083,395	4.2	2,190,257	5.1	2,114,950	-3.4	2,042,634	-3.4	2,017,372	-1.2
Compulsory Automobile Liability	871,249	2.5	888,159	1.9	889,619	0.2	904,202	1.6	915,683	1.3
Personal Accident	290,553	0.2	278,235	-4.2	265,529	-4.6	256,288	-3.5	250,299	-2.3
Miscellaneous Casualty	379,275	3.8	388,678	2.5	431,699	11.1	420,327	-2.6	417,692	-0.6
Marine and Inland Transit	147,517	-6.9	136,131	-7.7	140,505	3.2	121,369	-13.6	143,435	18.2
Total	4,316,379	5.0	4,245,271	-1.6	4,167,300	-1.8	4,036,443	-3.1	4,054,991	0.5

(in millions of yen & %)

Class of Business	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	853,409	174.8	476,474	-44.2	464,711	-2.5	397,528	-14.5	397,948	0.1
Voluntary Automobile	2,092,717	3.7	2,079,897	-0.6	2,109,383	1.4	2,147,724	1.8	2,155,859	0.4
Compulsory Automobile Liability	879,610	-3.9	856,479	-2.6	818,613	-4.4	824,032	0.7	807,692	-2.0
Personal Accident	243,492	-2.7	259,012	6.4	287,596	11.0	323,470	12.5	343,003	6.0
Miscellaneous Casualty	457,285	9.5	408,078	-10.8	437,185	7.1	445,340	1.9	530,498	19.1
Marine and Inland Transit	129,314	-9.8	131,799	1.9	139,522	5.9	140,303	0.6	143,656	2.4
Total	4,655,831	14.8	4,211,742	-9.5	4,257,055	1.1	4,278,443	0.5	4,378,697	2.3

6. Direct Premiums of Foreign General Insurers

(in millions of yen and %)

Class of Business	Fiscal 1997		Fiscal 1998		Fiscal 1999		Fiscal 2000	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	33,285	2.3	32,203	-3.3	30,643	-4.8	30,290	-1.2
Voluntary Automobile	76,207	3.8	84,506	10.9	98,352	16.4	104,013	5.8
Personal Accident	133,999	2.7	129,490	-3.4	129,608	0.1	136,204	5.1
Miscellaneous Casualty	31,150	5.0	34,749	11.6	40,323	16.0	43,977	9.1
Marine and Inland Transit	8,671	5.6	7,686	-11.4	7,103	-7.6	7,358	3.6
Compulsory Automobile Liability	7,056	-4.1	6,972	-1.2	7,050	1.1	6,578	-6.7
Total	290,368	3.1	295,606	1.8	313,079	5.9	328,420	4.9

Class of Business	Fiscal 2001		Fiscal 2002		Fiscal 2003		Fiscal 2004	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	30,560	0.9	33,133	8.4	39,662	19.7	42,638	7.5
Voluntary Automobile	110,405	6.1	113,364	2.7	114,728	1.2	115,903	1.0
Personal Accident	144,959	6.4	153,093	5.6	152,073	-0.7	151,870	-0.1
Miscellaneous Casualty	40,023	-9.0	41,162	2.8	39,426	-4.2	37,768	-4.2
Marine and Inland Transit	6,830	-7.2	7,470	9.4	7,284	-2.5	7,371	1.2
Compulsory Automobile Liability	6,541	-0.6	7,786	19.0	7,534	-3.2	6,976	-7.4
Total	339,318	3.3	356,008	4.9	360,707	1.3	362,526	0.5

Class of Business	Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	46,973	10.2	48,885	4.1	51,298	4.9	51,003	-0.6
Voluntary Automobile	117,084	1.0	116,107	-0.8	115,108	-0.9	110,731	-3.8
Personal Accident	169,763	11.8	168,475	-0.8	159,234	-5.5	149,981	-5.8
Miscellaneous Casualty	41,624	10.2	57,554	38.3	71,614	24.4	75,923	6.0
Marine and Inland Transit	7,814	6.0	8,547	9.4	8,942	4.6	8,519	-4.7
Compulsory Automobile Liability	6,272	-10.1	5,943	-5.3	5,447	-8.3	3,995	-26.7
Total	389,529	7.4	405,511	4.1	411,643	1.5	400,152	-2.8

(Note) The figures above do not include those of foreign-capitalized general insurers and foreign general insurers which are not members of the Foreign Non-Life Insurance Association of Japan.

7. Direct Premiums Written Abroad by Japanese General Insurers

(in millions of yen and %)

Class of Business	Fiscal 1999		Fiscal 2000		Fiscal 2001		Fiscal 2002		Fiscal 2003	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	11,720	-18.9	13,211	12.7	13,883	5.1	14,983	7.9	17,665	17.9
Automobile	10,925	-30.6	11,502	5.3	12,573	9.3	13,030	3.6	15,028	15.3
Marine Hull	114	-35.6	101	-11.4	134	32.7	33	-75.4	17	-48.5
Marine Cargo	7,232	-14.4	8,142	12.6	5,665	-30.4	5,896	4.1	7,402	25.5
Others	21,030	-20.0	25,797	22.7	30,942	19.9	29,933	-3.3	31,149	4.1
Total	51,023	-17.8	58,753	15.2	63,198	7.6	63,875	1.1	71,261	11.6

Class of Business	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	17,953	1.6	20,427	13.8	26,484	29.7	30,409	14.8	23,107	-24.0
Automobile	15,350	2.1	16,170	5.3	18,495	14.4	19,343	4.6	17,398	-10.1
Marine Hull	15	-11.8	12	-19.3	32	166.7	136	325.0	21	-84.6
Marine Cargo	8,891	20.1	10,029	12.8	11,975	19.4	12,770	6.6	9,344	-26.8
Others	26,792	-14.0	28,035	4.6	31,018	10.6	30,621	-1.3	26,950	-12.0
Total	69,001	-3.2	74,673	8.2	88,003	17.9	93,278	6.0	76,820	-17.6

8. International Reinsurance Business

Outward Reinsurance Balance

(in billions of yen)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Premiums (paid)	227.4	213.9	251.6	264.1	255.7	244.1	248.4	290.7	292.5	294.6
Claims (received)	189.1	135.6	114.4	114.1	123.5	242.1	162.7	118.2	125.8	149.8
Balance	-38.3	-78.3	-137.2	-150.0	-132.2	-2.0	-85.7	-172.5	-166.7	-144.7

(Note) Claims (received) exclude reinsurance commission in fiscal 1999.

Inward Reinsurance Balance

(in billions of yen)

Fiscal Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Premiums (received)	170.9	164.3	202.5	250.4	225.1	195.4	212.7	240.8	230.3	211.2
Claims (paid)	138.4	178.8	236.4	244.3	279.4	212.6	227.3	225.8	229.2	195.6
Balance	32.5	-14.5	-33.9	6.1	-54.3	-17.2	-14.6	15.0	1.1	15.6

(Note) Claims (paid) exclude reinsurance commission in fiscal 1999.

9. Japanese Insurers' Offices Abroad (as of April 1 each year)

Number of Japanese Insurers Conducting Foreign Business Through Overseas Offices (Note 1)

Type of Office	1999	2000	2001
Subsidiaries (Note 2)	15	15	13
Direct Insurance Subsidiaries with 50% or more Japanese Capital (Note 3)	14	14	12
Branches of Direct Insurance Subsidiaries	7	7	7
Agents of Direct Insurance Subsidiaries	5	5	4
Number of Insurance Companies Operating in Any One of the Above 3 Categories.	14	14	12
Overseas Branches	4	5	5
Overseas Agents	12	11	10
Sub-total	13	12	10
Number of Insurance Companies Operating in Any One of the Above Categories Abroad	16	16	14

Number of Countries / Regions (Note 4)

Type of Office	1999	2000	2001
Subsidiaries (Note 2)	25	23	25
Direct Insurance Subsidiaries with 50% or more Japanese Capital (Note 3)	14	20	20
Branches of Direct Insurance Subsidiaries	9	9	9
Agents of Direct Insurance Subsidiaries	11	11	11
Number of Insurance Companies Operating in Any One of the Above 3 Categories.	26	28	28
Overseas Branches	5	14	6
Overseas Agents	19	18	18
Sub-total	21	22	22
Number of Regions Where Insurance Companies Operating in Any One of the Above Categories Abroad	47	48	50

Number of Japanese Insurers' Offices Abroad

Type of Office	1999	2000	2001
Subsidiaries (Note 2)	113	118	117
Reinsurance Subsidiaries and Direct Insurance Subsidiaries with less than 50% Japanese Capital	50	50	50
Direct Insurance Subsidiaries with 50% or more Japanese Capital (Note 3)	63	68	67
Branches of Direct Insurance Subsidiaries	24	24	24
Agents of Direct Insurance Subsidiaries	30	29	29
Sub-total	167	171	170
Overseas Branches	5	17	7
Overseas Agents	66	63	62
Sub-total	71	80	69
Grand total	238	251	239

Liaison Offices

	1999	2000	2001
Number of Japanese Insurers with Liaison Offices	16	16	14
Number of Countries / Regions	42	43	44
Number of Cities	77	79	82
Number of Offices	254	246	224

- (Notes)
1. Figures represent the number of Japanese insurers conducting foreign business by type of overseas offices, and include cases same region.
 2. "Subsidiaries" means companies operating insurance and/or reinsurance business only, and thus excludes asset investment, loss
 3. Figures include cases where Japanese insurers have gained substantial control of a subsidiary by such means as taking over
 4. Figures represent the number of countries or regions where Japanese insurers conduct foreign business through overseas offices.

2002	2003	2004	2005	2006	2007	2008	2009
12	11	11	9	10	10	10	9
11	10	10	8	9	9	9	7
6	6	6	6	6	6	6	6
5	5	6	5	5	5	4	4
11	10	10	8	9	9	9	7
3	3	3	3	3	3	3	1
8	7	7	6	6	6	6	6
8	7	7	6	6	6	6	6
12	11	11	9	10	10	10	9

2002	2003	2004	2005	2006	2007	2008	2009
25	24	24	24	22	23	22	26
15	15	16	13	16	17	16	16
16	11	9	9	11	13	13	22
14	12	12	12	12	13	12	12
27	26	26	25	28	30	27	30
5	6	6	7	7	7	7	5
17	17	15	15	14	14	14	14
21	22	20	20	19	19	19	17
46	47	49	44	45	45	44	51

2002	2003	2004	2005	2006	2007	2008	2009
113	93	93	90	93	97	99	108
51	42	40	39	39	38	40	38
62	51	53	51	54	59	59	70
65	34	31	30	49	50	54	116
30	25	25	25	24	24	20	19
208	152	148	145	166	171	173	243
6	7	9	10	9	9	9	5
53	51	45	40	38	38	38	37
59	58	54	50	47	47	47	42
267	210	202	195	213	218	220	285

2002	2003	2004	2005	2006	2007	2008	2009
12	11	11	10	10	10	10	10
46	46	46	42	43	43	43	44
81	82	81	77	78	77	79	81
193	178	178	171	175	172	174	179

where a Japanese insurer conducts its business through both overseas subsidiaries and branches/agents of its home country head office in the survey operations, etc. directorship without owning the majority of shares.

10. International Comparison of General Insurance Premium Volume (2007)

Country (Region)	Gross Direct Premiums			Gross Direct Premiums GDP		Per Capita Premiums	
	(in millions of yen)	Rank	Share (%)	(%)	Rank	(yen)	Rank
U. S. A.	76,346,675	1	39.05	4.7	2	253,711	3
Germany	14,114,109	2	7.22	3.6	9	167,378	10
U. K.	13,356,750	3	6.83	3.0	11	162,139	11
Japan	11,040,014	4	5.65	2.1	37	86,274	22
France	9,601,139	5	4.91	3.0	12	142,926	15
Netherlands	7,834,281	6	4.01	8.7	1	477,144	1
Canada	6,424,242	7	3.29	3.8	5	195,406	6
Italy	6,343,009	8	3.24	2.4	27	103,470	19
Spain	5,102,587	9	2.61	3.0	15	116,118	18
South Korea	4,183,816	10	2.14	3.6	8	85,254	24
China	3,963,208	11	2.03	1.1	70	2,989	76
Russia	3,396,215	12	1.74	2.4	29	23,831	42
Australia	3,224,488	13	1.65	3.0	14	155,445	13
Brazil	2,403,127	14	1.23	1.6	52	12,531	56
Switzerland	2,297,395	15	1.18	4.6	3	302,627	2
Belgium	1,721,141	16	0.88	2.7	20	135,846	16
Austria	1,391,988	17	0.71	3.2	10	167,730	9
Ireland	1,261,287	18	0.65	2.4	25	170,719	8
Taiwan	1,246,400	19	0.64	2.8	18	54,191	31
Mexico	1,144,419	20	0.59	1.1	71	10,737	60
Other Countries	19,100,882	—	9.75	—	—	—	—
Total/Average	195,497,171	—	100.00	3.1	—	29,258	—

- (Notes)
1. Figures are compiled by the GIAJ based on the "Sigma No.3/2008" by Swiss Re.
 2. Total (average) figures are those total (average) figures of 147 countries surveyed.
 3. Gross Direct Premiums include all premiums written by domestic and foreign companies within the country.
 4. The exchange rate used (US\$1=117.22 yen) is the average exchange rate for 2007.

PART II

MARKET INFORMATION

I

Insurance-related Laws

1 Commercial Code (1899)

The Commercial Code stipulates the following basic issues concerning the legal relations between policyholders and insurance companies:

1. Definition of an insurance contract
2. Subject matter of the insurance (insurable interest)
3. Matters related to the insured amount and insured value (underinsurance, overinsurance, and double insurance)
4. Matters related to the duties of policyholders (duty of disclosure, duty of notification, and duty of minimizing losses)

5. Matters related to the liability of insurers (claims payment and exclusion clause)
6. Matters related to the cancellation and invalidity of insurance contracts

(Note) With the enforcement of the Insurance Contract Law on April 1, 2010, insurance-related provisions of the Commercial Code shall be abolished accordingly.

2 Insurance Business Law (1995)

The objective of this law, which gives due consideration to the public responsibilities of the insurance business, is to protect policyholders' interests by ensuring the sound management of insurance companies and the fairness of insurance soliciting activities.

This law is a main pillar of the Japanese insurance supervisory laws, stipulating the supervision of both insurance companies and insurance soliciting activities.

As for the supervision of insurance companies, various provisions are stipulated on the following matters: licensing requirement, legal status of insurance companies, scope of business, accounting mat-

ters, examination criteria for insurance products, measures to maintain the sound management of insurance companies, measures to protect policyholders in case of an insurance company going bankrupt, etc. The provisions of the same effect apply to foreign insurance companies operating business in Japan from the view point of ensuring equal footing with domestic companies.

With respect to the supervision of insurance soliciting activities, the law stipulates the following provisions: registration and notification of those who engage in insurance distribution, prohibition of misconducts in insurance distribution, inspection of general insurance agents, a cooling-off clause, etc.

3 Law concerning Non-Life Insurance Rating Organizations (1948)

The objective of this law is to promote the sound development of the general insurance business and to protect policyholders' interests by ensuring the appropriate business operations of non-life insurance rating organizations when calculating "ref-

erence risk premium rates" and "standard premium rates for Compulsory Automobile Liability Insurance and Earthquake Insurance on Dwelling Risks". The Non-Life Insurance Rating Organization of Japan was established based on this law.

4 Automobile Liability Security Law (1955)

This law was enacted to provide financial security to traffic accident victims. As specified in the law, no one is allowed to drive an automobile without owning a Compulsory Automobile Liability Insurance

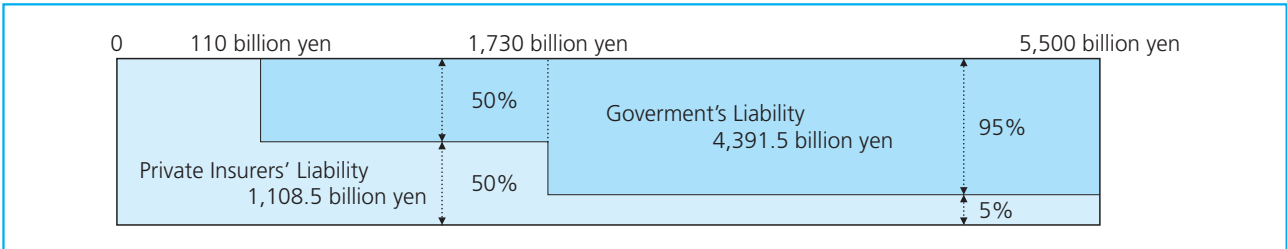
(CALI) policy. This policy only covers liability for bodily injury for traffic accident victims and not liability for property damage.

5 Law concerning Earthquake Insurance (1966)

This law was established with the objective of contributing to the stability of the life of those who have suffered as a result of earthquakes. Under this law, earthquake risks on dwelling houses and contents are covered with reinsurance support provided by the government. Since the likelihood of cata-

strophic losses on dwelling risks following an earthquake is high, the aggregate limit of indemnity is shared among all private insurers and the government, who are liable under the excess of loss reinsurance cover arranged through the Japan Earthquake Reinsurance Company as shown below:

Liability Sharing Scheme between the Government and Private Insurers



- (A) Up to 110 billion yen Private Insurers Liable for 100%
- (B) Over 110 billion yen to 1,730 billion yen Government Liability for 50% (810 billion yen)
Private Insurers Liable for 50% (810 billion yen)
- (C) Over 1,730 billion yen up to 5,500 billion yen Government Liable for 95% (3,581.5 billion yen)
Private Insurers Liable for 5% (188.5 billion yen)

Transition in Revisions of Earthquake Insurance on Dwelling Risks System

Effective Date	The Extent of Loss to be Indemnified	Insurable Proportion	Limit of Cover	Aggregate Limit of Indemnity per One Event
Jun. 1, 1966 (Established)	Total loss only	30% of the insured amount of fire insurance policy	Building: 0.9 million yen Contents: 0.6 million yen	300 billion yen
May 1, 1972			Building: 1.5 million yen Contents: 1.2 million yen	400 billion yen
Apr. 1, 1975			Building: 2.4 million yen Contents: 1.5 million yen	800 billion yen
Apr. 1, 1978				1,200 billion yen
July 1, 1980	Total loss Half loss	From 30% to 50% of the insured amount of fire insurance policy	Building: 10.0 million yen Contents: 5.0 million yen	1,500 billion yen
Apr. 1, 1982				1,800 billion yen
Apr. 1, 1991	Total loss Half loss Partial loss			3,100 billion yen
Jun. 24, 1994				3,700 billion yen
Oct. 19, 1995			4,100 billion yen	
Jan. 1, 1996			4,500 billion yen	
Apr. 1, 1997			5,000 billion yen	
Apr. 14, 1999			5,500 billion yen	
Apr. 1, 1999	Building: 50.0 million yen Contents: 10.0 million yen		4,100 billion yen	
Apr. 1, 2002			4,500 billion yen	
Apr. 1, 2005		5,000 billion yen		
Apr. 1, 2008		5,500 billion yen		

6 Consumer Contract Law (2000)

Under the law, a consumer is able to cancel a contract with a business entity when misrepresentation of the business entity misleads the consumer, or where the consumer is distressed by an importunate behavior of the entity at the time of contract. This law also stipulates that such provisions in the contract shall be void where the liability of a business entity is restricted or the amount of liabilities or dam-

ages claimed by the business entity against the consumer exceeds a certain level. Following the enforcement of the revised Consumer Contract Law on June 7, 2007, a class action system for consumers has been introduced, allowing a specific consumer organization the right to file an injunction against misconducts of a business entity.

7 Law on Sales of Financial Products (2000)

Under the law, financial service providers are obliged to provide customers with information on the important matters including risk of losses caused to their products by price fluctuations and credit risk (default), etc. They are also liable for any damage or loss caused to customers by their failure to provide

their customers with information on the above important matters. In addition, financial service providers are obliged to draw up and publicize a solicitation policy, and shall be subject to administrative fines in the event of a violation of this obligation.

8

Personal Information Protection Law (2003)

The purpose of this law is to protect the rights and interests of individuals while taking consideration of the usefulness of personal information, in view of a remarkable increase in the use of personal information due to development of the advanced information and communications society. The law prescribes the duties to be observed by entities handling per-

sonal information such as: specification of the purpose of use, proper acquisition, notice of the purpose of use at the time of acquisition, security control measures, supervision of the third party vendors, restriction of provision to third parties, disclosure, correction, stoppage of the use of personal information, etc.

9

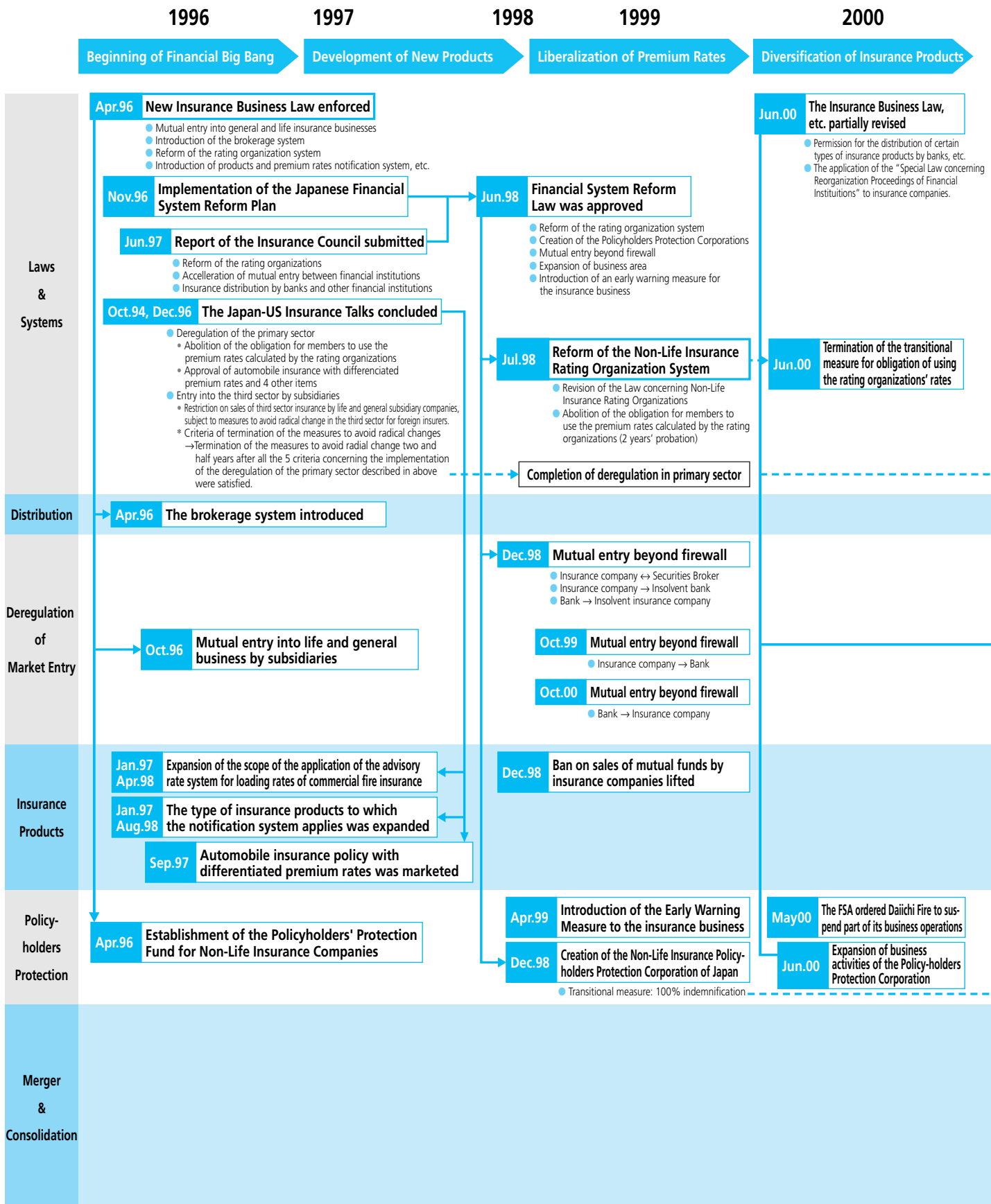
Financial Instruments and Exchange Law (2006)

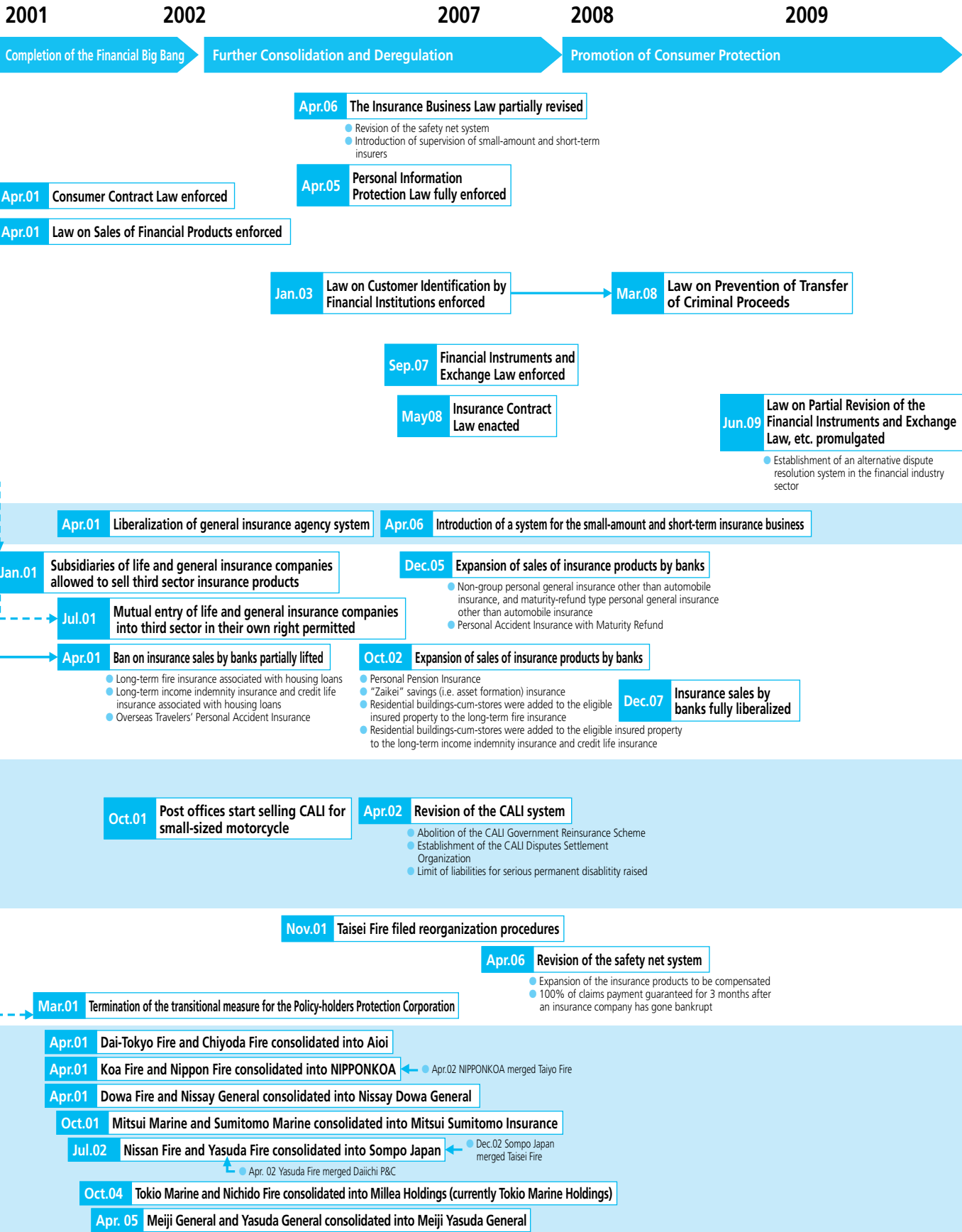
This law aims at establishing comprehensive and cross-sectional rules for user protection and to develop an environment where users can invest with confidence, thus responding to changes surrounding the financial and capital markets. Under the law, firms dealing with financial instruments are required to comply with the following rules of conduct (rules for

sales and solicitation), which also apply to some insurance products: regulation on advertisements, obligation to deliver documents in a written format before/at the time of making a contract, various examples of prohibited conduct such as delivery of false information, prohibition of loss compensation, etc.

II

Deregulation and Liberalization of the Japanese General Insurance Market







Early Warning System and Policyholders Protection Scheme

As part of a scheme to protect policyholders' interests, the following measures have been introduced to the Japanese general insurance market: 1. Early warning systems based on the solvency margin ratio, whereby the supervisory authority can require an ailing general insurance company to improve its business operation and 2. The setting up of a policyholders protection corporation to deal with the possible insolvency of a general insurance company.

1 Early Warning Systems

On August 22, 2003, the FSA revised its administrative guidelines and introduced off-site monitoring and early warning measures in addition to the early remedial actions introduced in April 1999. An insurance company will be considered in sound condition if the solvency margin ratio is 200% or more. However, if the ratio falls below 200%, the supervisory authority shall take early remedial action on the basis of the provisions of the Insurance Business Law and its Enforcement Ordinance. Prior to the early remedial action, off-site monitoring and early warning measures will be taken when the Commissioner deems it necessary in order to improve the management of an ailing company which still maintains its solvency margin ratio at more than 200%.

A. Off-Site Monitoring

Early detection and early remedy of managerial problems are the key to rehabilitating unhealthy insurance companies. The FSA has introduced off-site monitoring in order to grasp the insurance company's management condition by collecting a continuous flow of financial statements and risk information reports from insurance companies. The collected data is stored and analyzed quickly and effectively. Giving feedback on the results of the analysis and having interviews with the management of the company, the FSA urges the insurance company to carry out remedial plans independently.

B. Early Warning Measures

Early remedial action based on solvency margin ratio is provided in paragraph 2, Article 132 of the

Insurance Business Law as a measure to secure the soundness of an insurance company's management. Even an insurance company which does not fall under the scope of early remedial action shall be required to make continuous efforts to maintain and improve the soundness of its business. To that end, the FSA will take the following preventive measures to assure an early remedy of the management.

- a. Remedial Measure for Profitability
- b. Remedial Measure for Credit Risk
- c. Remedial Measure for Stability
- d. Remedial Measure for Cash Flow

The FSA, when necessary, may issue an administrative order for business improvement according to Article 132 of the Insurance Business Law, so that the company can be guaranteed to carry out the above remedial measures.

C. Early Remedial Action

Early remedial action based on the solvency margin ratio was introduced in April 1999, as one of the key factors in the new insurance supervisory and regulatory framework.

The objective of early remedial action is to ensure the sound and proper business operation of an insurance company and the protection of policyholders by enabling the supervisory authority to urge insurance companies to maintain sound management with regard to their solvency margin ratios.

The Enforcement Ordinance requests that early remedial action be divided into 3 categories in accordance with the level of the solvency margin ratio. An

Category of the Early Warning Measures

Category	Solvency Margin Ratio	Actions
Non-category	200% and more	No action shall be taken.
Category 1	Less than 200% and 100% or more	The Financial Services Agency shall issue a business improvement administrative order to the insurance company in question. The company submits a business improvement plan to the Agency for their review and assessment. Then the Agency shall order the implementation of the plan.
Category 2	Less than 100% and 0% or more	<p>The Financial Services Agency shall order measures among the following which the Agency considers appropriate:</p> <ol style="list-style-type: none"> 1. Submission of plans considered as appropriate to increase the capability of paying claims, etc., and the implementation of these plans. 2. Prohibition of payment of stock dividends, or restraints on the amount of these. (*) 3. Prohibition on distribution of dividends or surpluses to policyholders, or restraints on the amount of these. 4. Alteration of calculation method (incl. coefficients which form the basis of the calculation) of premium rates concerning insurance contracts to be newly entered into. 5. Prohibition of directors' bonuses, or restraint on operating expenses. 6. Prohibition of certain methods of asset investment, or restraints on the amount. 7. Reduction of business operations at part of the branch or office. 8. Closing of some of the branches or offices, excluding the main office or chief office. 9. Reduction of business operations at subsidiaries, etc. (*) 10. Disposal of stock or equities of subsidiaries, etc. (*) 11. Reduction of existing businesses or prohibition of new businesses, such as businesses ancillary to life or non-life insurance business, businesses relating to specific securities transactions stipulated in the Financial Instruments and Exchange Law, and businesses allowed under other laws. 12. Other measures which the Commissioner of the Financial Services Agency considers necessary. <p>(*) The item is not applicable to foreign insurers operating through branches and agents.</p>
Category 3	Less than 0%	The Financial Services Agency shall order partial or total suspension of business for a specified period.

outline of each category and actions are shown in the table above.

In addition to the actions mentioned above, the Enforcement Ordinance includes the following measures:

- a. If an insurance company finds that its solvency margin ratio falls to category 2 or 3, and if the insurance company promptly submits a business improvement plan that the supervisory authority judges to be appropriate to restore the company's solvency margin ratio, then the category of the order issued by the supervisory authority shall be applied to the category corresponding to the expected result of the implementation of the business improvement plan. However, if the supervisory authority does not deem the plan appropriate, the category of the order shall correspond to the decreased solvency margin ratio.
- b. Even when an insurance company falls within category 3, the supervisory authority shall be able to issue an order that includes category 2 measures, when the difference between the assets and the liability of the insurance company shows a positive amount, or when it is obviously expected to become a positive amount.
- c. Even though an insurance company does not fall within category 3, the supervisory authority shall be able to issue an order that includes category 3 measures; when the difference between the assets and the liability of the insurance company shows a negative amount or when it is obviously expected to become a negative amount.
- d. The early warning measure shall not apply to the Japan Earthquake Reinsurance Company whose insurance contracts are reinsured by the government under the Law concerning Earthquake Insurance.

Solvency Margin Ratio

In addition to the reserves to cover claims payments and payments for maturity-refunds of savings type insurance policies, etc., it is necessary for general insurance companies to maintain sufficient solvency in order to provide against risks which may exceed their usual estimates. The solvency margin ratio means the ratio of "solvency margin of general insurance companies by means of their capital, reserves, etc." to "risks which will exceed their usual estimates", as calculated below.

$$\text{Solvency Margin Ratio (\%)} = \frac{\text{Solvency Margin, i.e. the total amount of accumulations such as capital (fund), reserves, etc. prepared for risks which exceed usual estimates}}{\text{Total of risks which exceeds usual estimates} \times 1/2} \times 100$$

The solvency margin ratio is one of the indices which the supervisory authority utilizes in order to judge the management soundness of a general insurance company. It is understood that problems concerning the management soundness of a general insurance company will not arise if the ratio is 200% or more.

The detailed formula of the calculation of the solvency margin ratio is as follows:

$$\text{Solvency Margin Ratio (\%)} = \frac{\text{The sum total of Solvency Margin}}{\{\sqrt{(\text{General Insurance Risk} + \text{Insurance Risk related to the Third Sector})^2 + (\text{Assumed Interest Rate Risk} + \text{Asset Management Risk})^2 + \text{Business Administration Risk} + \text{Catastrophe Risk}\} \times 1/2} \times 100$$

* Solvency margin is the total of the following items:

1. Total Equities
2. Reserves for Fluctuation in Value of Investment
3. Reserves for Risks related to Assumed Interest Rates and Third Sector Insurance Products
4. Reserves for Catastrophic Risk
5. Allowance for Bad Debts
6. 90% of Latent Profit on Securities (100% of Latent Loss on Securities)
7. 85% of Latent Profit on Land (100% of Latent Loss on Land)
8. Others which the Commissioner of the Financial Services Agency considers necessary

* The risks mentioned in the denominator are defined as follows:

1. Insurance Risk
 - a. General Insurance Risk: risk of occurrence of claims which exceed underwriting reserve.
 - b. Catastrophic Risk: risk of loss caused by natural catastrophes such as earthquake, storm, flood, etc.
 - c. Insurance Risk related to the Third Sector: risk of occurrence of third sector claims which are subject to uncertainty.
2. Assumed Interest Rate Risk: risk of not being able to secure the assumed interest rate, which forms the basis of calculation for underwriting reserve.
3. Asset Management Risk: This risk means the total of the following risks:
 - a. Risk of fluctuation in value, etc.: risk of occurrence of loss caused by excessive changes in the capital value or interest rate (evaluation based on market value).
 - b. Credit Risk: risk of occurrence of loss caused by bad debts or default (evaluation based on market value).
 - c. Risk arising in a Subsidiary Company, etc.: risk of occurrence of loss caused by the failure of investment in a subsidiary company or a related company.

- d. Derivative Transactions Risk: risk of occurrence of loss caused by transactions of futures, options and swap, etc.
 - e. Reinsurance Risk & Recovery of Reinsurance Risk.
4. Business Administration Risk: risk of occurrence of loss beyond anticipation in business administration.

2 Non-Life Insurance Policy-holders Protection Corporation

The “Non-life Insurance Policy-holders Protection Corporation of Japan” (hereafter, “the Corporation”) was established in December 1998 for the protection of general insurance policyholders by an amendment of the Insurance Business Law. Before the establishment of the Corporation, the Policyholders’ Protection Fund for Non-life Insurance Companies was introduced in April 1996. However, the fund system could not come into effect unless reliever insurance companies appeared in the event of an insurance company becoming insolvent. In order to resolve possible problems arising from this, the policyholders protection corporation system has been created.

The functions of the Corporation are to give financial aid to the reliever insurance company which takes over a failed insurance company, and to undertake the insurance contracts of a failed insurance company when reliever insurance companies do not appear. With the partial amendment of the Insurance Business Law enforced in June 2000, the scope of a Corporation’s business, and methods of its financial aid have been expanded. This includes the establishment of a subsidiary “bridge-insurance company” funded by the Corporation to take over the insurance contracts of a failed insurance company, and to provide loans to insurance companies that have to stop paying claims due to temporary cash-flow problems or provide loans to a failed insurance company that has concluded a financial aid contract with the Corporation. In addition, by the amendment of the Law concerning Special Rules for Reorganization Procedures of Financial Institutions effective in June 2000, company reorganization procedures shall also be applicable to insurance companies, and the reor-

ganization of failed insurance companies will proceed more smoothly.

A. Objective

The Corporation carries out its functions to protect policyholders thus ensuring the reliability of the general insurance business.

B. Membership

In accordance with the provisions of the Insurance Business Law, all the general insurance companies operating in Japan, including foreign insurers and one specific corporation (the Society of Lloyd’s), have to join the Corporation. However, professional reinsurers, etc. are excluded.

C. Types of Business Operations

The Corporation carries out the following types of business operations:

- a. To provide financial aid to a reliever general insurance company to which the insurance contracts of an insolvent general insurance company are transferred.
- b. To undertake the insurance contracts of an insolvent general insurance company, and to administer and/or deal with the insurance contracts, when reliever general insurance companies do not appear
- c. To establish a subsidiary (“bridge-insurance company”) of the Corporation to take over the insurance contracts of an insolvent general insurance company, when reliever general insurance companies do not appear. The Corporation shall administer the business operations of the

bridge-insurance company.

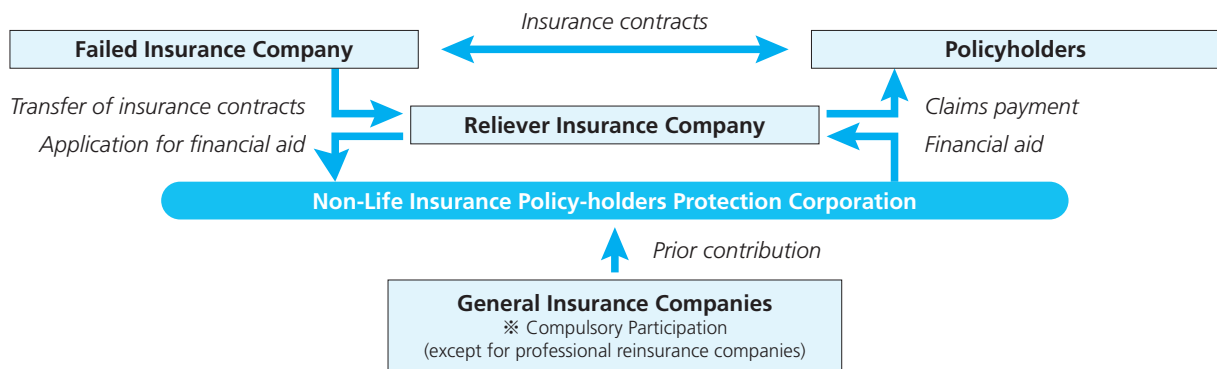
- d. To provide loans to the members of the Corporation in the event that they have to stop claims payment to their policyholders due to temporary cash-flow problems.
- e. To provide loans to certain policyholders, etc., of an insolvent general insurance company within the amount equivalent to claims incurred. This is when the general insurance company has

stopped claims payment due to the issuance of an order to suspend its business operations by the supervisory authority.

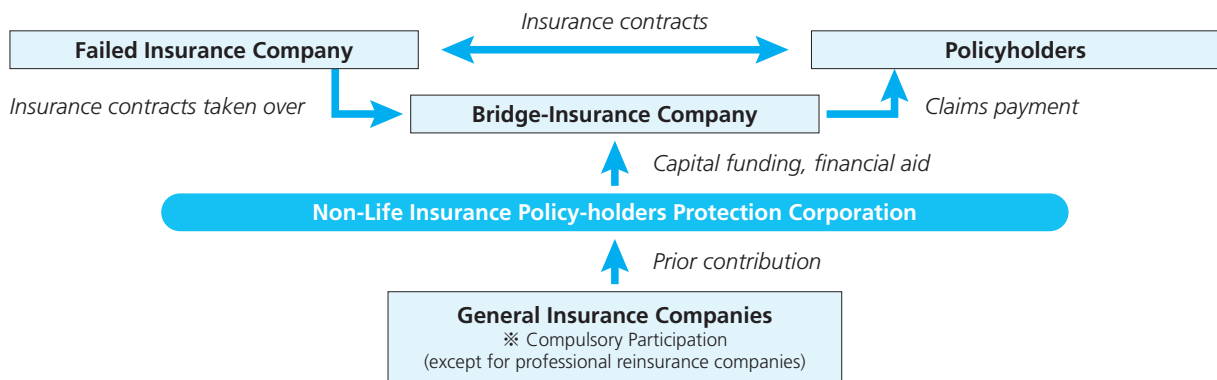
- f. To become an insurance administrator.
- g. To purchase policyholders' rights on insurance claims filed with an insolvent general insurance company.
- h. To purchase the assets of an insolvent general insurance company.

Non-Life Insurance Policy-holders Protection Corporation System

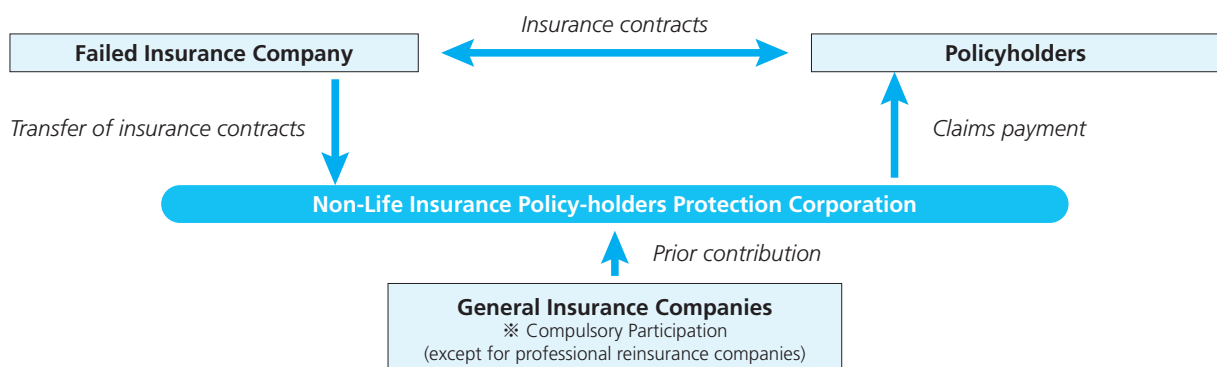
- In cases where a relievier insurance company takes over insurance contracts of a failed insurance company.



- In cases where a successor insurance company takes over insurance contracts of a failed insurance company.



- In cases where the Policy-holders Protection Corporation takes over insurance contracts of a failed insurance company.



(Note) When the Corporation or its subsidiary takes over the insurance contracts of an insolvent insurance company in accordance with the above-mentioned items of b. and c., and subsequently, when a reliever insurance company appears, the Corporation or its subsidiary shall transfer the insurance contracts of the insolvent insurance company to the reliever insurance company.

D. General Insurance Contracts to be Compensated

With the revision of the Insurance Business Law effective from April 1, 2006, the new compensation scheme has been implemented for general insurance contracts. An outline of the scheme is shown in the table below.

The concept of the policyholders' protection scheme in life and general insurance has been basically the same, and 90% of underwriting reserves has formerly been guaranteed in the case of an insurance company becoming insolvent. Considering the characteristics of life and general insurance policies, the revised Insurance Business Law has provided a

new type of scheme applicable to general insurance policies which are taken out by individuals.

The new scheme guarantees 100% of payment of claims which have occurred within 3 months after an insurance company has gone bankrupt. In case an insurance company goes bankrupt, individual policyholders are encouraged to replace their contracts with other insurance companies since the amount of claims payment will be reduced to 80% of underwriting reserves after that period. The new system has widened the types of policyholders who will be covered, and has provided protection for small- and medium-sized companies and condominium associations organized by the residents in addition to individual policyholders.

E. Finance of the Corporation

- a. The members of the Corporation must make a contribution to the Corporation in order to sustain the policyholders' protection funds and to meet the expenses of the Corporation. The ceil-

Eligible Contracts to be compensated by the Corporation

	Types of Insurance	Compensation Ratio	
		Claims Payment	Maturity Refunds and Return Premiums for Cancellation
General Insurance	<ul style="list-style-type: none"> • Compulsory Automobile Liability Insurance • Earthquake Insurance on Dwelling Risks 	100%	
	• Voluntary automobile insurance	100% of claims payment for 3 months after an insurance company going bankrupt (80% of claims payment after 3 months of an insurance company going bankrupt)	80%
	• Fire insurance		
	• Other types of general insurance (Note 1)		
Sickness and Personal Accident Insurance	<ul style="list-style-type: none"> • Short-term personal accident insurance (Note 2) • Overseas Travelers' Personal Accident Insurance 	90% (Note 5)	90% (Note 5)
	<ul style="list-style-type: none"> • Individual Annuity and Accident Insurance • Zaikai Savings Personal Accident Insurance (Note 3) • Defined Contribution Pension Personal Accident Insurance 		
	• Other types of sickness and personal accident insurance (Note 4)		90% (80% for maturity-refund type policies) (Note 5)

- (Notes) 1. Other types of general insurance include general liability insurance, movables comprehensive insurance, marine insurance, inland transit insurance, credit insurance, workers' accident compensation liability insurance, etc.
2. Short-term personal accident insurance means a personal accident insurance whose policy period is less than 1 year.
3. Zaikai means an asset formation program for workers.
4. Other types of sickness and personal accident insurance are income indemnity insurance, medical expenses insurance, nursing care expenses insurance, etc.
5. Percentages may change according to contract conditions.

ing on the total funds of the Corporation shall be 50 billion yen, i.e. ten times the total annual contributions of the members.

- b. The amount of each member's annual contribution shall be decided with due regard to the amount of net premiums written and liability reserves accumulated.
- c. In order to give financial aid to a reliever insurance company, the Corporation shall be allowed to borrow money from financial institutions, subject to the approval of the supervisory

authority. However, a ceiling on such borrowing has been established, i.e. the total sum of the funds accumulated and the money borrowed cannot exceed 50 billion yen.

- d. When the costs required for bankruptcy procedures exceed 50 billion yen, the Corporation shall ask the government to take necessary measures, with due regard to such conditions as the amount of funds accumulated, financial aid, etc. which has previously been provided, and the business soundness of the members of the Corporation.

IV

Distribution System

The general insurance distribution system in Japan is agency, brokerage and direct distribution by officers or employees of insurance companies.

Agents and brokers must be registered with the Prime Minister* in accordance with the Japanese Insurance Business Law (Officers and employees of insurance companies are not required to be registered in order to solicit insurance contracts.). Therefore, only registered agents and brokers, as well as staff members of insurance companies, are authorized to engage in insurance distribution.

As part of the registration process, the supervisory authority must ascertain whether there are grounds for refusing an application: for example, from applicants who have been declared bankrupt and who have not yet been rehabilitated, who have been imprisoned in the preceding three years, or whose previous registration had been revoked within

the preceding three years. Under the Insurance Business Law and its related regulations, agents and brokers are prohibited from such conduct as giving rebates or premium discounts, making false representations or failing to represent important matters regarding insurance contracts to their clients. If the registered agents or brokers violate relevant laws and regulations, the supervisory authority shall implement administrative penalties, including the revocation of the registration and the suspension of business.

In fiscal 2008, agents collected 92.9% of all general insurance premiums including domestic and foreign insurers. The remainder, 6.7% and 0.4%, was collected through direct distribution and brokerage, respectively.

(Note) Under the Insurance Business Law, the Prime Minister delegates his authority concerning the registration of agents and brokers to the Commissioner of the Financial Services Agency.

Direct Premiums by Distribution Channel

(in millions of yen & %)

	Fiscal 2007		Fiscal 2008	
	Premium	Share	Premium	Share
Agents	8,178,277	93.0%	7,870,551	92.9%
Brokers	25,085	0.3%	29,360	0.4%
Direct Distribution	587,965	6.7%	571,282	6.7%
Total	8,791,346	100.0%	8,471,215	100.0%

(Note) "Direct Distribution" includes sales through employed sales staff.

1 General Insurance Agency System

The agency is the main channel for general insurance distribution in Japan. The function of an agency is as follows:

- Consulting for insurance.
- Soliciting (suggesting plans for) and concluding insurance contracts with customers.
- Calculating insurance premiums, accepting application forms from customers and reporting contracts to the insurance company.
- Receiving insurance premiums and issuing receipts to customers.
- Keeping insurance premiums received from customers and adjusting those premiums and commissions with the insurance company.
- Delivering insurance policies to customers.
- Maintaining insurance contracts including the procedures for changing contract terms and cancellations.
- Accepting notifications of claims from customers

and reporting those claims to the insurance company, including collecting claims documents from customers.

The number of general insurance agents regis-

tered as of the end of March 2009 stood at 217,864, and the total number of sales staff engaged in agency business in domestic and foreign general insurers amounted to 2,154,962.

Number of Agency and Sales Staff

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Number of Agency	570,919	509,619	342,191	323,139	305,836	286,576	266,753	253,810	235,846	217,864
Number of Agency Sales Staff	1,154,511	1,145,252	1,575,195	1,642,271	1,716,006	1,797,510	1,873,485	1,986,035	2,147,461	2,154,962

(Note) The above figures stand for the total of domestic and foreign insurance companies.

Number of Agents by Type of Business

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Full-time	73,353	60,264	58,557	55,438	51,283	47,436	43,467	40,892	38,668	34,390
Share (%)	(12.8)	(11.8)	(17.1)	(17.2)	(16.8)	(16.6)	(16.3)	(16.1)	(16.4)	(15.8)
Part-time	497,566	449,355	283,634	267,701	254,553	239,140	223,286	212,918	197,178	183,474
Share (%)	(87.2)	(88.2)	(82.9)	(82.8)	(83.2)	(83.4)	(83.7)	(83.9)	(83.6)	(84.2)
Corporate	128,630	127,019	124,190	121,190	119,042	116,969	117,262	115,953	112,245	109,412
Share (%)	(22.5)	(24.9)	(36.3)	(37.5)	(38.9)	(40.8)	(44.0)	(45.7)	(47.6)	(50.2)
Individual	442,289	382,600	218,001	201,949	186,794	169,607	149,491	137,857	123,601	108,452
Share (%)	(77.5)	(75.1)	(63.7)	(62.5)	(61.1)	(59.2)	(56.0)	(54.3)	(52.4)	(49.8)
Exclusive	438,950	382,152	261,597	254,255	240,952	226,947	208,597	196,880	182,641	164,911
Share (%)	(76.9)	(75.0)	(76.4)	(78.7)	(78.8)	(79.2)	(78.2)	(77.6)	(77.4)	(75.7)
Multi-representative	131,969	127,467	80,594	68,884	64,884	59,629	58,156	56,930	53,205	52,953
Share (%)	(23.1)	(25.0)	(23.6)	(21.3)	(21.2)	(20.8)	(21.8)	(22.4)	(22.6)	(24.3)

(Notes) 1. The above figures stand for the total of domestic and foreign insurance companies.

2. "Multi-representative" agents mean agents who have been commissioned to act as an agent of two or more general insurance companies.

3. Figures above are as of the end of each Fiscal Year.

The general insurance agency system was reviewed at the end of March 2001. The administrative guidelines concerning personal qualifications and agency classifications, as well as the level of agency commissions which depend upon agency classifications, were abolished. Subsequently, each general insurance company takes its own measures to promote further development of agency qualifications.

As the GIAJ regards agency education as integral to the industry's social responsibility to ensure proper sales of insurance products and the protection of policyholders, it launched a new agency education system common to the industry in April 2001. Two kinds of examinations are available under the system; one for people who wish to be engaged in general

insurance distribution so that they can better equip themselves as general insurance agents, and the other for general insurance agents who have already been engaged in distributing general insurance products. The subjects of the latter examination consist of legal compliance, laws and regulations, and taxation.

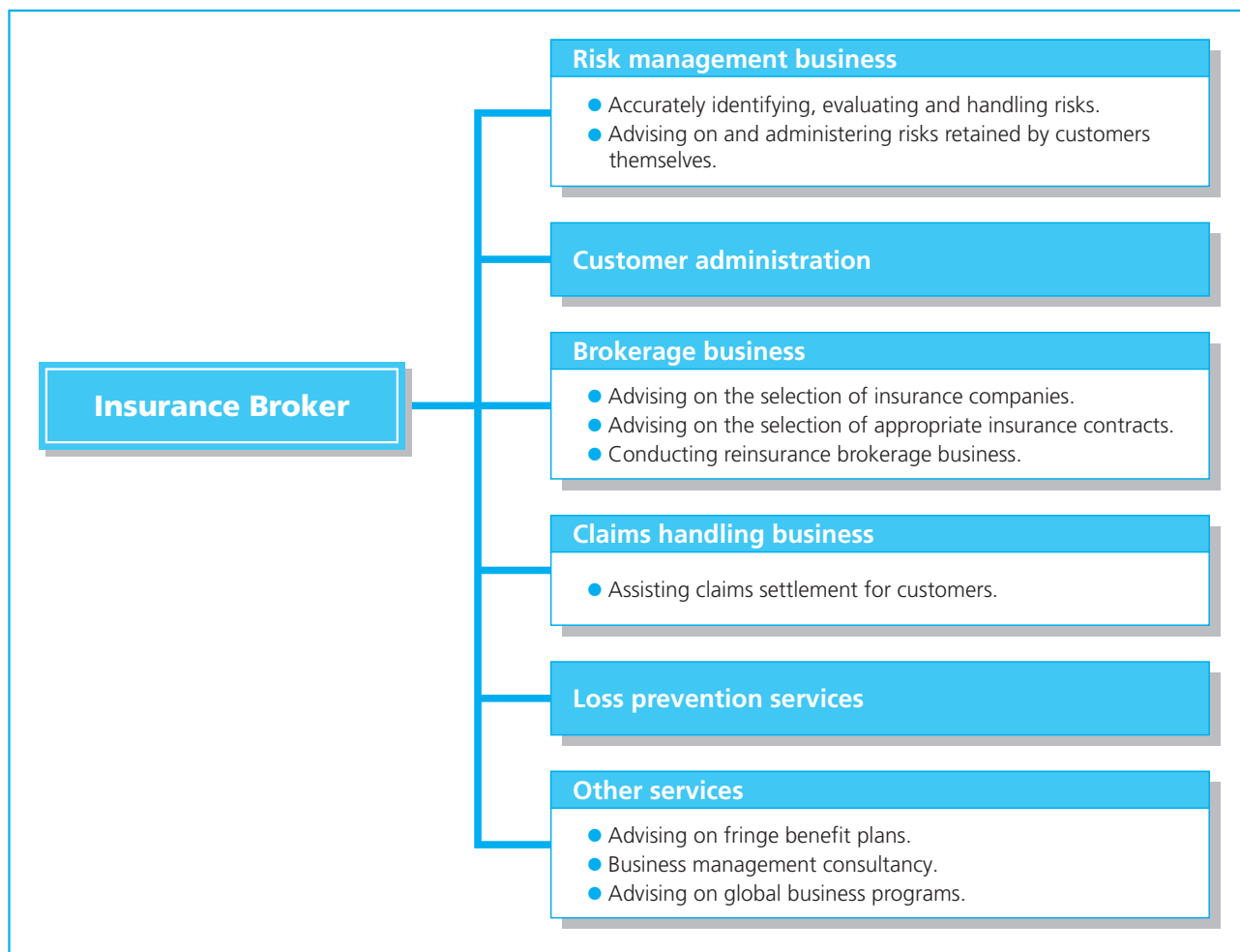
In order to further enhance the quality of the insurance professionals with whom customers deal directly, the GIAJ revamped these examinations in October 2007. The GIAJ has also required general insurance agents and solicitors to renew their credentials every five years from fiscal 2008, and has established a new "insurance product learning system" to assist professionals in advancing their knowledge of insurance products.

2 Insurance Brokerage System

An insurance brokerage system was introduced to the Japanese insurance market in April 1996 by the enforcement of the new Insurance Business Law.

Examples of services that insurance brokers may provide are as follows:

Example of Services provided by Insurance Brokers



Insurance brokers are not allowed to start their operations until they are registered with the Prime Minister. At the time of registration, insurance brokers must prove that they are fit to conduct insurance distribution, their ability being judged by means of an examination by the Insurance Brokers Association of Japan, based on the Comprehensive Guidelines for Supervision of Insurance Companies issued by the Financial Services Agency.

In order to clarify the roles or functions which insurance brokers take, the Insurance Business Law prohibits them from concurrently acting as general insurance agents or life insurance solicitors. In addition,

an insurance broker is legally bound to act with the utmost good faith (the so-called “duty of best advice”). Furthermore, insurance brokers differ from general insurance agents in that they are not empowered by insurance companies to conclude insurance contracts, to accept applicants’ representations, or to receive insurance premiums.

Since insurance brokers are independent from insurance companies, they are liable for loss or damage to policyholders resulting from their activities. Whereas in the case of general insurance agents, the insurance companies concerned ultimately assume, in principle, the responsibility for such losses.

Therefore, from the viewpoint of protecting policyholders, insurance brokers are legally obliged to make a cash deposit which endorses their financial means to cover their liability. The minimum cash deposit required is 40 million yen and the maximum 800 million yen.

Insurance brokers are allowed to act as interme-

diaries for the conclusion of insurance contracts on condition that they deal with the insurance products of insurance companies licensed in Japan. However, regarding reinsurance, ocean marine hull insurance, ocean marine cargo insurance, commercial aircraft insurance, etc., they are allowed to mediate for unlicensed foreign insurers directly.

3 Direct Distribution

A distribution system where officers or employees of general insurance companies distribute insurance products directly is called "Direct Distribution" and includes the following different forms.

a. Special Trainees System

To strengthen their distribution network, individual insurance companies have their own "Special Trainees System" to train their exclusive and full-time agents.

The purpose of the Special Trainees System is to give staff members selected courses to enable them to acquire knowledge of and practice in general insurance soliciting within a certain period. Although the organization of this system varies from company to company, a common stipulation is that trainees will work for the company as its exclusive agents in

the future.

b. "Chokuhan-Shain" System

Direct distribution, known as the "chokuhan-shain" or the "direct salesperson" approach, is the method where staff members of general insurance companies are engaged directly in the distribution of general insurance products.

c. Others

Direct response markets insurance products through advertisements on mass media, direct mail, telephone and the Internet. Some foreign insurers and newly established insurance companies adopt it as their distribution channel and use it to sell automobile and personal accident insurance policies.

Insurance Sales through the Internet

Insurance sales through the Internet are usually operated by either insurance companies or their agents. Irrespective of the operator, insurance sales through the Internet are categorized into the following two types.

a. Off-line transaction

Booking an insurance contract on a Web site, and then meeting a sales person from an insurance company or an agent to conclude a con-

tract, or requesting materials for insurance products on Web sites, and then returning the application form with his/her seal to the insurance company to finalize a contract.

b. On-line transaction

From application to premium payment, everything is electronically processed on the Web site. The premium payment is usually settled with a credit card.



Investment Regulation

In order to ensure the sound operation of the insurance business and to protect policyholders' interests, asset investment by insurance companies is regulated under the Insurance Business Law. The Enforcement Regulation of the Insurance Business Law stipulates the kinds of investable assets and their scope of investment as follows:

1 Scope of Investment

Paragraph 2 of Article 97 of the Insurance Business Law and Article 47 of the Enforcement Regulation provide that an insurance company should invest money received as premiums or any other assets within the following range:

- 1) Japanese securities, such as government bonds, local government bonds, bonds issued by juridical persons organized under special laws or ordinances, debentures, stocks, investment trusts, or commercial paper (CP), etc. and/or foreign securities, such as government bonds, local government bonds, stocks, beneficiary certificates, or negotiable certificates of deposit, etc. of foreign countries
- 2) real estate
- 3) monetary claims
- 4) short-term corporate bonds stipulated in Paragraph 6 of Article 98 of the Insurance Business Law
- 5) gold bullion
- 6) money loans (including call loans)
- 7) loans secured on securities
- 8) investment related to union contract stipulated in Article 667 of the Civil Code or anonymous union contract stipulated in Article 535 of the Commercial Code
- 9) bank deposits or postal savings
- 10) money trusts, monetary claims in trust, securities trust, or real estate in trust
- 11) over-the-counter trading in securities derivatives, transactions of securities index futures, securities options, or foreign market certificate futures stipulated in the Financial Instruments and

Exchange Law

- 12) financial futures transactions stipulated in the Financial Instruments and Exchange Law
- 13) trading in derivatives stipulated in Paragraph 1 (8) of Article 98 of the Insurance Business Law
- 14) foreign exchange futures transactions
- 15) any other methods equivalent to those mentioned above.

2 Limits on Investment of Assets

Paragraph 1 of Article 97-2 of the Insurance Business Law and Article 48 of the Enforcement Regulation provide that, when an insurance company invests its assets, the ratios of the respective kinds of assets to the total assets or the assets equivalent to special accounts for maturity-refund type insurance, etc., shall not exceed those stated below.

- a. Assets other than those equivalent to special accounts for maturity-refund type insurance, etc., are as follows.
 - 1) Japanese stocks (including item 8) mentioned in the above: 30%
 - 2) real estate: 20%
 - 3) assets in foreign currency: 30%
 - 4) bonds, giving loans, and lending securities: 10%
 - 5) assets invested similar to items 1) to 10) mentioned in the above: 3%
- b. Assets equivalent to special accounts for maturity-refund type insurance, etc., are as follows:
 - 1) Japanese stocks: 30%
 - 2) assets in foreign currency: 30%

However, if approved by the Commissioner of the Financial Services Agency, the above-mentioned ratios shall not apply.

In addition, Paragraph 2 of Article 97-2 of the Insurance Business Law and Articles 48-3 of the Enforcement Regulation provide that, in investing assets of an insurance company into one and the same person/group or the "Major Shareholders"(*), the ratios of respective kinds of assets to the total assets or the assets equivalent to special accounts for maturity-refund type insurance, etc., shall not exceed those stated below.

- c. Regarding assets other than those equivalent to special accounts for maturity-refund type insurance, etc., the aggregate of the following assets shall not exceed 10% of total assets. (The following item 2) and/or 4) shall not exceed 3% of the total assets.)
 - 1) corporate bonds and stocks issued by one and the same person/group
 - 2) loans and lending securities to one and the same person/group
 - 3) deposits with one and the same person/group
 - 4) guarantee of obligation for one and the same person/group
 - 5) assets related to trading in derivatives with one and the same person/group
- d. Regarding the assets equivalent to special accounts for maturity-refund type insurance, etc., the aggregate of the same asset items as mentioned in the above c. 1) to 5) shall not

exceed 10% of the total of the special account assets.

- e. In addition, as regards assets other than those equivalent to special accounts for maturity-refund type insurance, etc., the aggregate of the following assets shall not exceed 6% of total assets. (The following item 2) and/or 4) shall not exceed 2% of total assets.)
 - 1) corporate bonds and stocks issued by the "Major Shareholders" or one and the same "Major Shareholder"
 - 2) loans and lending securities to the "Major Shareholders" or one and the same "Major Shareholder"
 - 3) deposits with the "Major Shareholders" or one and the same "Major Shareholder"
 - 4) guarantee of obligation for the "Major Shareholders" or one and the same "Major Shareholder"
 - 5) assets related to trading in derivatives with the "Major Shareholders" or one and the same "Major Shareholder"
- f. Regarding the assets equivalent to special accounts for maturity-refund type insurance, etc., the aggregate of the same asset items as mentioned in the above e. 1) to 5) shall not exceed 6% of the total of the special account assets.
 - (*) Any person or company that holds more than, in principle, 20% of the total shares of an insurance company or an insurance holding company.

VI

Underwriting Reserves

Underwriting funds for general insurance companies in Japan includes underwriting reserves, outstanding loss reserves, and price fluctuation reserves. These reserves are set aside subject to the Enforcement Regulation of the Insurance Business Law, the statement showing the basis of working out premiums and underwriting reserves, the Enforcement Regulation of the Law concerning Earthquake Insurance, Notices in the Gazette, the Comprehensive Guidelines for Supervision of Insurance Companies issued by the Financial Services Agency, and the Special Taxation Measures Law.

1 Underwriting Reserves

A. Ordinary Underwriting Reserves

For all lines of general insurance business except Earthquake Insurance on Dwelling Risks and Compulsory Automobile Liability Insurance (CALI), general insurance companies must set aside an amount of unearned premiums or the “initial year balance”, depending on which is greater, as their liability reserves.

As from fiscal 2005, regarding natural catastrophe related risks retained by general insurance com-

panies, they must set aside an amount equivalent to an estimated unearned premiums calculated based on the amount of claims and the probability of such catastrophic event quantified.

(Note) The “initial year balance” means premiums received during the fiscal year less claims paid and other expenses incurred under those contracts for which the premiums have been received in the course of the said fiscal year.

In order to ensure proper risk management of insurance companies and to facilitate their accumulation of premium reserves for future claims payment, the FSA has introduced a new rule for the accumulation of reserves for third sector insurance policies

Catastrophe Reserves

Group of Business	Accumulation Rate (A)	Accumulation Rate (B)	Ratio of Balance	Maximum Accumulation Rate	Disposition of Reserves
Marine Hull and Aviation	3.0%	3.0%	50%	250%	80%
Fire, Marine Cargo, and Inland Transit	3.8% or 2.0%	3.0%	35%	160%	50%
Automobile, Personal Accident, and Miscellaneous Casualty	3.2%	–	15%	160%	50%
Nursing Care Expenses	3.2%	–	15%	160%	50%
Surety Bonds	3.2%	–	15%	160%	50%
Atomic Energy	50%	50%	–	–	Full amount of net claims paid
Life Reinsurance	24%	–	–	24%	100%

(Notes) 1. Accumulation Rate (A) means the minimum percentage of net premiums stipulated under a statement showing the basis of working out premiums and underwriting reserves.

2. Accumulation Rate (B) means the maximum percentage of net premiums allowed under the Special Taxation Measures Law.

3. Insurers are legally required to accumulate either of the percentages or more, i.e. Accumulation (A) or Accumulation (B) of net premiums as catastrophe reserves, depending on which is greater. They are allowed to accumulate an extra amount subject to notification to the FSA, but if the Ratio of Balance comes under the specified level mentioned in the table, they can accumulate an extra amount without such notification within the limit of 150%.

4. Disposition of Reserves occurs when the loss ratio exceeds the specified level as a Group of Business, and the excess portion of the claims can be withdrawn from the catastrophe reserves.

5. Accumulation Rate (A) of Fire, Marine Cargo, and Inland Transit Group is 3.8% for fire insurance, and 2.0% for marine cargo, inland transit, general liability, contractors' all risks, movables comprehensive, and windstorm & flood.

6. Accumulation Rate (B) of Fire, Marine Cargo, and Inland Transit Group is 4.0% from fiscal 2007 to fiscal 2009 as a transitional measure by the government.

effective from May 1, 2006, so that insurance companies take the following measures:

1. Ensure that premium reserves are sufficiently accumulated based on a timely and accurate ex post facto examination
2. Verify whether technical reserves are sufficiently accumulated by applying stress tests
3. Disclose the results of the above tests

B. Catastrophe Reserves

Catastrophe reserves must be set aside by every class of general insurance, in accordance with the Notice in the Gazette No. 232 issued on June 8, 1998, except Earthquake Insurance on Dwelling Risks and CALI. The details of the catastrophe reserves are shown in the foregoing table.

As regards natural catastrophe related risks covered by fire insurance policies, from fiscal 2005, general insurance companies must establish a rational catastrophe reserve plan and build up their reserves until the amount reaches the estimated loss caused by a natural disaster which occurs once in 70 years (i.e. typhoon Vera in 1959).

C. Reserves for Refunds

As regards policies issued with deposit premiums of a provisional nature subject to adjustment upon expiry of the policy period, and also policies issued for a premium on condition that the whole or part of it be returnable upon expiry without loss, sums required for refunds of such premiums should be reserved at the end of every fiscal year. As regards long-term comprehensive insurance, Family Traffic Personal Accident Insurance with Maturity Refund, and other maturity-refund type (or savings type) insurance policies which are written under an agreement to receive a savings portion of premiums from a policyholder at the outset and to refund it upon maturity at a fixed rate of interest, the sum corresponding to the present value computed at compound interest should also be reserved at the end of every fiscal year.

D. Reserves for Dividends to Policyholders

For long-term comprehensive insurance, Family Traffic Personal Accident Insurance with Maturity Refund, and other maturity-refund type (or savings type) insurance policies, any balance between the sum of income arising from the investment of the savings portion of premiums combined with investment yield and the amount which has been set aside as "reserves for refunds" as explained in C. above, should be reserved to provide for future payments of dividends to policyholders.

E. Reserves for Earthquake Insurance and CALI

As Earthquake Insurance on Dwelling Risks and Compulsory Automobile Liability Insurance (CALI) have their social / public nature, and are operated under a so called "no-loss, no-profit" principle, any underwriting surplus and investment income obtained from their businesses are set aside and reserved accumulatively.

The reserves for Earthquake Insurance on Dwelling Risks under the Law concerning Earthquake Insurance should be accumulated with the amount equal to net premiums minus net business expenses plus relevant investment income. When claims occur, the amount equal to net claims paid and outstanding loss reserves shall be withdrawn from these reserves.

Reserves for CALI are composed of obligatory reserves, adjustable reserves, reserves for investment income, and reserves for loading costs. Obligatory reserves means pure premiums plus assumed interest income arising from long-term contracts minus claims paid and outstanding loss reserves. Adjustable reserves are accumulated with obligatory reserves which are carried over 5 years.

F. Underwriting Reserves for Reinsurance Contracts

As regards reinsurance premiums ceded to the following entities, general insurance companies can be exempted from establishing underwriting reserves:

- 1) licensed domestic insurers in Japan,
- 2) licensed foreign insurers in Japan,
- 3) unlicensed foreign insurers which are deemed to pose few risks to the sound management of ceding companies in terms of the condition of business or assets, etc.

② Outstanding Loss Reserves

A. Ordinary Reserves for Outstanding Losses

General insurance companies are required to establish, at the time of closing their account, outstanding loss reserves equal to the sum of outstanding claims, premiums returnable, and policyholder's dividends payable for events which have already occurred; and the said reserves should include the sum for any claim of cases still in dispute.

B. IBNR

IBNR (Incurred But Not Reported) reserves have formerly been required for automobile insurance, personal accident insurance, general liability insurance, workers' accident compensation insurance, and life reinsurance, based on a Notice in Gazette No. 234, issued on June 8, 1998. The FSA has introduced a statistical evaluation method to estimate IBNR reserves effective from May 1, 2006. Consequently, the lines of insurance products for which general

insurance companies are required to accumulate IBNR reserves have been expanded to include all lines of insurance products except for Earthquake Insurance on Dwelling Risks and Compulsory Automobile Liability Insurance. Furthermore, general insurance companies have been required to carry out screening and calculate the IBNR reserves for those long-tail insurance contracts based on a statistical evaluation method, when they are material.

③ Price Fluctuation Reserves

With regard to stocks and other assets designated under the Enforcement Regulation of the Insurance Business Law as those which may bring about losses due to price fluctuations, general insurance companies are required to lay aside the amount calculated in accordance with the Enforcement Regulation as price fluctuation reserves so that their claims paying ability can be duly ensured. This does not apply to cases where general insurance companies have obtained approval from the Commissioner of Financial Services Agency to be exempted from reserving the total or a part of the amount.

In addition, general insurance companies are only allowed to dispose of price fluctuation reserves in order to make up for a deficit when the amount of losses resulting from the trade of stocks and other assets exceeds the amount of profits accruing from such trade.



Loss Survey System

The primary function of general insurance companies is to pay claims properly and promptly in the case of accident. The general insurance companies must be prepared for appropriate, prompt and fair claims payment.

1 Claim Services Centers of the Member Companies

In order to provide immediate claims services for policyholders, member companies of the GIAJ have around 1,800 claims service offices nationwide, staffed with approximately 27,000 people who pos-

sess the skills and expertise to facilitate claims processing. To improve their expertise, individual insurance companies also conducts training courses.

2 Automobile Insurance Adjusters

Automobile insurance adjusters estimate fair and reasonable repair costs for damaged cars under the provisions of automobile physical damage and property damage liability insurance policies. Automobile insurance adjusters are divided into (a) "technical adjusters" who adjust the repair costs for damage to general kinds of vehicles and (b) "specific vehicles adjusters" who adjust the repair costs for damage to

special purpose vehicles such as mobile cranes and diggers.

All adjusters of the GIAJ's member companies are required to complete training programs and examinations set by the GIAJ to obtain any one of the above qualifications. As of April 1, 2009, 8,815 adjusters are registered with the GIAJ.

3 Property Loss Assessors

Property loss assessors estimate the appropriate amounts for loss of or damage to insured properties and also evaluate proper insurable values of properties in the fire and casualty insurance fields. There are three classes of property loss assessors graded by

their expertise. They are required to pass the examinations for their respective classes in order to be registered with the GIAJ. On July 1, 2009, the number of property loss assessors registered with the GIAJ was 2,232.



Outline of the General Insurance Association of Japan

1 History

Prior to the present Association's establishment in 1946, its origin can be traced back to 1917, when the Joint Fire Insurance Association of Japan was founded by domestic and foreign insurance companies then operating in Japan. In 1939 the Joint Association was reorganized as the Dai-Nippon Fire Insurance Association. In 1941 it was amalgamated with several marine insurance organizations, such as the Japan Marine Underwriters' Association and the Hull Insurers' Union, established in 1920 and 1927 respectively, into the former Marine and Fire Insurance Association of Japan consisting of only domestic companies as regular members. The follow-

ing year, in 1942, its name and functions were changed to the Non-Life Insurance Control Association assisting the government in the control of the industry during a chaotic economic period. Shortly after the hostilities ended, in September 1945, however, this Control Association was dissolved. The Marine and Fire Insurance Association of Japan was reestablished on January 18, 1946, by all the domestic non-life insurance companies. On May 1, 1948, it was reorganized as an incorporated body. On May 20, 2003, it changed its English name to the General Insurance Association of Japan (GIAJ) and is currently composed of 27 member companies.

2 Objective

The objective of the GIAJ is to promote the sound development and maintain the reliability of

the general insurance business in Japan.

3 Major Activities

a. Enhancement of Communication with Consumers

The GIAJ promotes consumer relations to incorporate their opinions into the industry operation and ensure the better understanding of general insurance among people.

b. Promotion of Compliance with Laws and Regulations

In addition to strengthening regulatory functions by drawing up various industry guidelines, the GIAJ also acts as a Personal Information Protection Body designated by the FSA.

c. Requests and Proposals

The GIAJ develops business infrastructure which supports the business of the member companies. The GIAJ also carries out activities to realize the general insurance industry's concerns.

d. Contribution to Safety and Security in Society and the Community

The GIAJ contributes to safety and security in peoples' daily lives through activities such as automobile theft prevention, disaster prevention, crime prevention, traffic safety promotion, and environmental protection.

- e. Contribution to the Global Community
The GIAJ actively participates in the IAIS standard setting activities as an observer, closely monitoring and advocating toward multilateral and regional trade discussions, enhancing

exchanges and cooperation with overseas insurance markets, and holding international seminars with participants from the East Asian region such as the Insurance School (Non-Life) of Japan (ISJ).

4 Member Companies (27 companies as of December 1, 2009)

- Adlick Insurance Co., Ltd.
- Aioi Insurance Co., Ltd.
- Anicom Insurance, Inc.
- The Asahi Fire & Marine Insurance Co., Ltd.
- The Daido Fire & Marine Insurance Co., Ltd.
- E.design Insurance Co., Ltd.
- The Fuji Fire & Marine Insurance Co., Ltd.
- Hitachi Capital Insurance Corp.
- H.S. Insurance Co., Ltd.
- Japan Earthquake Reinsurance Co., Ltd.
- JI Accident & Fire Insurance Co., Ltd.
- The Kyoei Fire and Marine Insurance Co., Ltd.
- Meiji Yasuda General Insurance Co., Ltd.
- Mitsui Direct General Insurance Co., Ltd.
- Mitsui Sumitomo Insurance Co., Ltd.
- NIPPONKOA Insurance Co., Ltd.
- Nissay Dowa General Insurance Co., Ltd.
- Nisshin Fire & Marine Insurance Co., Ltd.
- SAISON Automobile and Fire Insurance Co., Ltd.
- SBI Insurance Co., Ltd.
- SECOM General Insurance Co., Ltd.
- Sompo Japan Insurance Inc.
- Sonpo 24 Insurance Co., Ltd.
- Sony Assurance Inc.
- The Sumi-Sei General Insurance Co., Ltd.
- The Toa Reinsurance Co., Ltd.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.

5 Board Members (as of December 1, 2009)

Chairman

Mr. Masatoshi Sato Sompo Japan (President)

Vice Chairmen

Mr. Tadashi Kodama Aioi (President)

Mr. Hiroshi Miyajima Nisshin F & M (President)

Ordinary Directors

Mr. Kazuho Oya Asahi F & M (President)

Mr. Katsutoshi Arakawa Kyoei F & M (President)

Mr. Takehisa Yamada JI Ac. & F (President)

Mr. Toshihiko Matsushita Sumi-sei General
(President)

Mr. Yasuyuki Yoshida SECOM General (President)

Mr. Jun Mochizuki SAISON A & F (President)

Mr. Shinichi Yamamoto Sony Assurance (President)

Mr. Atsushi Kumanomido Sonpo 24 (President)

Mr. Susumu Teruya Daido F & M (President)

Mr. Shuzo Sumi Tokio Marine & Nichido
(President)

Mr. Ichiro Tateyama Nissay Dowa General
(President)

Mr. Makoto Hyodo NIPPONKOA (President)

Mr. Ryoji Sato Hitachi Capital (President)

Mr. Akira Kondoh Fuji F & M (President)

Mr. Toshiaki Egashira Mitsui Sumitomo Insurance
(President)

Mr. Shigeru Kondo Mitsui Direct General
(President)

Mr. Yutaka Shigemori Meiji Yasuda General
(President)

Vice Chairman

Mr. Jiro Makino Association

Executive Director

Mr. Katsuo Handa Association

Managing Directors

Mr. Yasushi Kuriyama Association

Mr. Takashi Shikama Association

Ordinary Director

Mr. Katsuhiko Murata Association

Ordinary Auditors

Mr. Hiroshi Fukushima Toa Re. (President)

Mr. Hideo Suzuki Japan Earthquake Re.

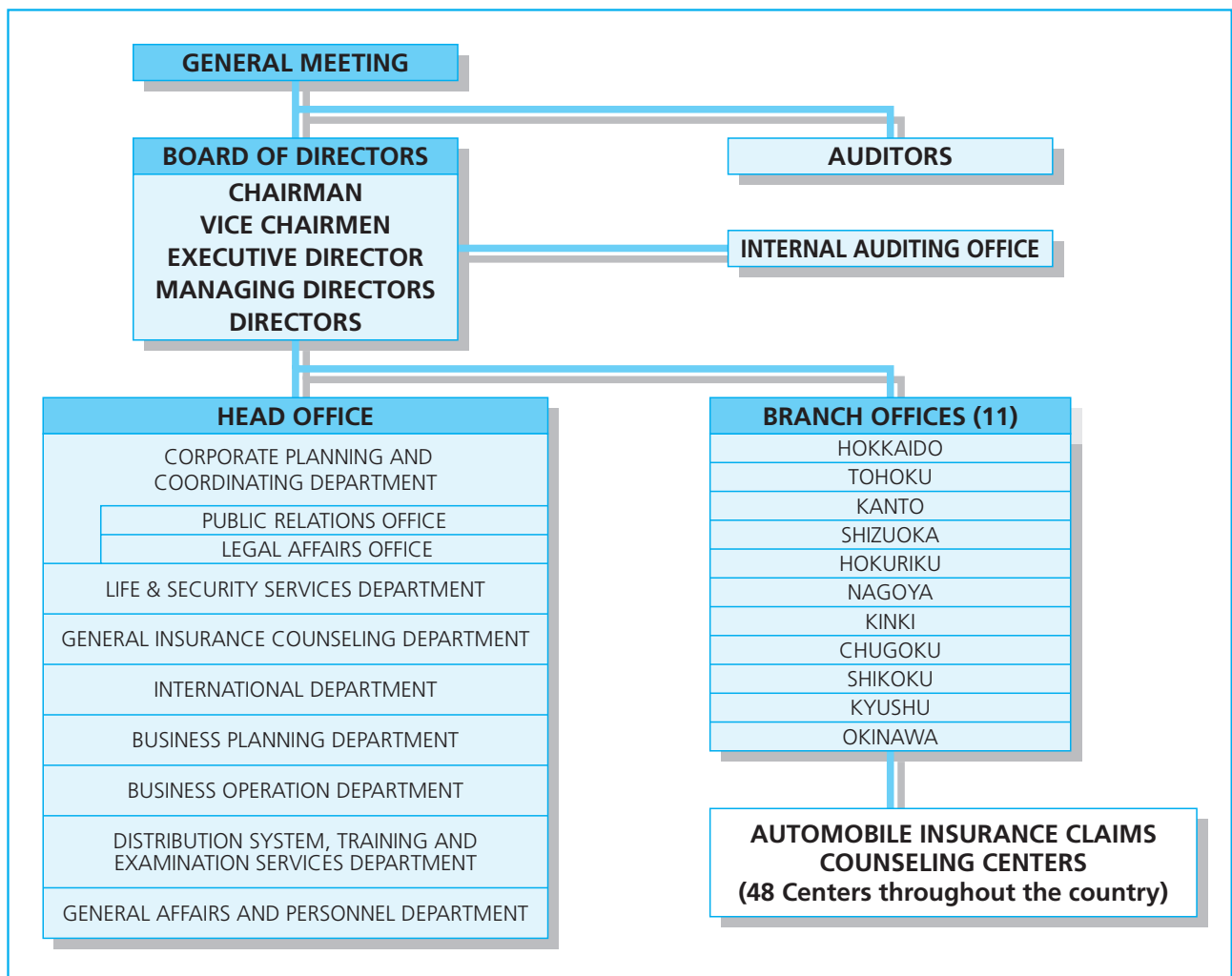
(President)

Prof. Seiichi Ochiai Chuo Law School

(Abbreviation)

- F & M: Fire and Marine
- A & F: Automobile and Fire
- Ac. & F: Accident and Fire

6 Organization (as of December 1, 2009)



(Note) Establishment of the "Advisory Panel to Listen to Consumers' Voices"

In September 2006, the General Insurance Association of Japan (GIAJ) newly established the "Advisory Panel to Listen to Consumers' Voices" to incorporate consumers' opinions into the industry operation. The majority of the Panel consists of representatives from consumer groups and academic experts. The Panel stands independently from the GIAJ's existing organs, such as committees and sub-committees, offering proposals to the Board Meeting following discussions on specific industry-wide issues based on consumers' suggestions and complaints.



1

Licensed Domestic Companies (30 Companies as of December 1, 2009)

○ **ACE Insurance**

Arco Tower, 1-8-1 Shimomeguro, Meguro-Ku, Tokyo 153-0064.

Tel.: +81-3-5740-0600.

URL: <http://www.ace-insurance.co.jp/>

● **Adlick Insurance Co., Ltd.**

Nomurafudosanmidosuji Bldg. 8F, 3-5-7, Kawaramachi, Chuo-Ku, Osaka 541-0048

Tel.: +81-6-6209-7733.

URL: <http://www.adlick.co.jp/>

● **Aioi Insurance Co., Ltd.**

28-1, Ebisu 1-Chome, Shibuya-Ku, Tokyo 150-8488.

Tel.: +81-3-5424-0101.

URL: <http://www.ioi-sonpo.co.jp/>

○ **Allianz Fire and Marine Insurance Japan Ltd.**

Anzen Bldg., Motoakasaka 1-6-6, Minato-Ku, Tokyo 107-0051.

Tel.: +81-3-4588-7500.

URL: <http://www.allianz.co.jp/>

● **Anicom Insurance, Inc.**

Arimino Bldg. 2F, 1-5-22, Shimo-Ochiai, Shinjuku-Ku, Tokyo 161-8546.

Tel.: +81-3-5348-3777.

URL: <http://www.anicom-sompo.co.jp/>

● **The Asahi Fire & Marine Insurance Co., Ltd.**

Sumitomofudosankanda Bldg. 7, Kandamitoshirocho, Chiyoda-Ku, Tokyo 101-8655.

Tel.: +81-3-3294-2111.

URL: <http://www.asahikasai.co.jp/>

○ **AXA Non-Life Insurance Co., Ltd.**

Shibaura Ark Bldg, Shibaura 4-19-1, Minato-Ku, Tokyo 108-8638.

Tel.: +81-3-5444-2001.

URL: <http://www.axa-direct.co.jp/>

● **The Daido Fire & Marine Insurance Co., Ltd.**

Okinawa head office: 12-1, Kumoji 1-Chome, Naha, Okinawa 900-8586.

Tel.: +81-98-867-1161.

Tokyo branch office: Yamashiro Bldg. 4F, 1-1, Kanda Ogawamachi, Chiyoda-Ku, Tokyo 101-0052.

Tel.: +81-3-3295-1127.

URL: <http://www.daidokasai.co.jp/>

● **E.design Insurance Co., Ltd.**

13F Tokyo Opera City Bldg., 3-20-2, Nishi-Shinjuku, Shinjuku-Ku, Tokyo 163-1413.

Tel.: +81-3-5302-3170.

URL: <http://www.edsp.co.jp/>

● **The Fuji Fire & Marine Insurance Co., Ltd.**

Osaka head office: 18-11, Minamisenba 1-Chome, Chuo-Ku, Osaka 542-8567.

Tel.: +81-6-6271-2741.

Tokyo head office: 12-18, Ginza 2-Chome, Chuo-Ku, Tokyo 104-8122.

Tel.: +81-3-3542-3911.

URL: <http://www.fujikasai.co.jp/>

● **Hitachi Capital Insurance Corp.**

2-1-4, Kojimachi, Chiyoda-Ku, Tokyo 102-0083.

Tel.: +81-3-5276-1391.

URL: <http://www.hitachi-ins.co.jp/>

● **H.S. Insurance Co., Ltd.**

FRONTIER YOTSUYA 3F, 3-12, Yotsuya, Shinjuku-Ku, Tokyo 160-0004

Tel.: +81-3-5312-8200.

URL: <http://www.hs-sonpo.co.jp/>

- **Japan Earthquake Reinsurance Co., Ltd.**
The Kobuna-cho Fuji Plaza 4F, 8-1 Nihonbashi
Kobuna-cho, Chuo-Ku, Tokyo 103-0024.
Tel.: +81-3-3664-6098.
URL: <http://www.nihonjishin.co.jp/>

- **JI Accident & Fire Insurance Co., Ltd.**
AI Bldg., 20-5, Ichibancho, Chiyoda-Ku, Tokyo
102-0082.
Tel.: +81-3-3237-2111.
URL: <http://www.jihoken.co.jp/>

- **The Kyoei Fire & Marine Insurance Co., Ltd.**
18-6, Shimbashi 1-Chome, Minato-Ku, Tokyo 105-
8604.
Tel.: +81-3-3504-0131.
URL: <http://www.kyoeikasai.co.jp/>

- **Meiji Yasuda General Insurance Co., Ltd.**
11-1, Kanda Tsukasamachi 2-Chome, Chiyoda-Ku,
Tokyo 101-0048.
Tel.: +81-3-3257-3111.
URL: <http://www.meijiyasuda-sonpo.co.jp/>

- **Mitsui Direct General Insurance Co., Ltd.**
1-5-3, Koraku Bunkyo-Ku, Tokyo 112-0004.
Tel.: +81-3-5804-7711.
URL: <http://www.mitsui-direct.co.jp/>

- **Mitsui Sumitomo Insurance Co., Ltd.**
27-2, Shinkawa 2-Chome, Chuo-Ku, Tokyo 104-
8252.
Tel.: +81-3-3297-1111.
URL: <http://www.ms-ins.com/>

- **NIPPONKOA Insurance Co., Ltd.**
7-3, 3-Chome, Kasumigaseki, Chiyoda-Ku, Tokyo
100-8965.
Tel.: +81-3-3593-3111.
URL: <http://www.nipponkoa.co.jp/>

- **Nissay Dowa General Insurance Co., Ltd.**
Osaka head office: 15-10, Nishi-Tenma 4-
Chome, Kita-Ku, Osaka 530-8555.
Tel.: +81-6-6363-1121.
Tokyo head office: St. Luke's Tower, 8-1, Akashi-
cho, Chuo-Ku, Tokyo 104-8556.
Tel.: +81-3-3542-5511.
URL: <http://www.nissaydowa.co.jp/>

- **Nisshin Fire & Marine Insurance Co., Ltd.**
3, Kanda-Surugadai 2-Chome, Chiyoda-Ku, Tokyo
101-8329.
Tel.: +81-3-5282-5534.
URL: <http://www.nisshinfire.co.jp/>

- **SAISON Automobile and Fire Insurance Co., Ltd.**
Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-
Chome, Toshima-Ku, Tokyo 170-6068.
Tel.: +81-3-3988-2711.
URL: <http://www.ins-saison.co.jp/>

- **SBI Insurance Co., Ltd.**
Izumi Garden Tower 18F, 1-6-1, Roppongi,
Minato-Ku, Tokyo 106-6018.
Tel.: +81-3-6229-0060.
URL: <http://www.sbisampo.co.jp/>

- **SECOM General Insurance Co., Ltd.**
6-2, Hirakawa-cho 2-Chome, Chiyoda-Ku, Tokyo
102-8645.
Tel.: +81-3-5216-6111.
URL: <http://www.secom-sonpo.co.jp/>

- **Sompo Japan Insurance Inc.**
26-1, Nishi-Shinjuku 1-Chome, Shinjuku-Ku,
Tokyo 160-8338.
Tel.: +81-3-3349-3111.
URL: <http://www.sompo-japan.co.jp/>

- **Sonpo 24 Insurance Co., Ltd.**
Sunshine 60 Bldg. 44F, 1-1, Higashi-Ikebukuro 3-
Chome, Toshima-Ku, Tokyo 170-6044.
Tel.: +81-3-5957-0111.
URL: <http://www.sonpo24.co.jp/>

- **Sony Assurance Inc.**
Aroma Square 11F, 5-37-1 Kamata, Ota-Ku, Tokyo
144-8721.
Tel.: +81-3-5744-0300.
URL: <http://www.sonysonpo.co.jp/>

● **The Sumi-Sei General Insurance Co., Ltd.**

Sumitomo Life Yotsuya Bldg., 8-2 Honshio-Cho, Shinjuku-Ku, Tokyo 160-0003.

Tel.: +81-3-5360-6001.

URL: <http://www.sumisei-sonpo.co.jp/>

● **The Toa Reinsurance Co., Ltd.**

6, Kanda-Surugadai 3-Chome, Chiyoda-Ku, Tokyo 101-8703.

Tel.: +81-3-3253-3171.

URL: <http://www.toare.co.jp/>

● **Tokio Marine & Nichido Fire Insurance Co., Ltd.**

2-1, Marunouchi 1-Chome, Chiyoda-Ku, Tokyo 100-8050.

Tel.: +81-3-3212-6211.

URL: <http://www.tokiomarine-nichido.co.jp/>

(● represents the GIAJ member companies.)

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Licensed Foreign Companies (20 Companies as of December 1, 2009)

● **AIU Insurance Company (U.S.A.)**

AIG Tokyo Bldg., 1-3, Marunouchi 1-Chome, Chiyoda-Ku, Tokyo 100-8234.

Tel.: +81-3-3216-6611.

URL: <http://www.aiu.co.jp/>

● **American Home Assurance Company (U.S.A.)**

ARCA WEST 21F, 2-4, Kinshi 1-Chome, Sumida-Ku, Tokyo 130-8562.

Tel.: +81-3-5619-3200.

URL: <http://www.americanhome.co.jp/>

● **Assicurazioni Generali S.p.A. (Italy)**

ARK Mori Bldg. West 30F, 12-32, Akasaka 1-Chome, Minato-Ku, Tokyo 107-6030.

Tel.: +81-3-5562-8691.

URL: <http://www.generali.co.jp/>

● **Assuranceforeningen GARD - gjensidig (Norway)**

Tokyo Sakurada Bldg. 8F, 1-3, Nishi-Shinbashi 1-Chome, Minato-Ku, Tokyo 105-0003.

Tel.: +81-3-3503-9291.

● **Atradius Credit Insurance NV (Netherlands)**

Shiroyama Trust Tower 30F, 4-3-1, Toranomom, Minato-Ku, Tokyo 105-6030.

Tel.: +81-3-5776-7300.

URL: <http://www.atradius.jp/>

● **The Britannia Steam Ship Insurance Association Ltd. (U.K.)**

3-5-1 Shiba, Minato-Ku, Tokyo 105-0014.

Tel.: +81-3-3769-6791.

URL: <http://www.britanniapandi.com>

● **CARDIF-Assurances Risques Divers (France)**

Shibuya Infoss Tower 9F, 20-1 Sakuragaoka-cho, Shibuya-Ku, Tokyo 150-0031.

Tel.: +81-3-6415-6340

URL: <http://www.cardif.co.jp/>

● **Coface Japan (Compagnie Francaise d'Assurance pour le Commerce Exterieur / France)**

Toranomon Kotohira Tower 17F, 1-2-8, Toranomom, Minato-Ku, Tokyo 105-0001.

Tel.: +81-3-5521-2180.

URL: <http://www.coface.jp/>

● **EULER HERMES Kreditversicherungs-AG (Germany)**

Kyobashi Nisshoku Bldg. 7F, 8-7, Kyobashi 1-Chome, Chuo-Ku, Tokyo 104-0031.

Tel.: +81-3-3538-5403.

URL: <http://www.eulerhermes.co.jp/>

- **Federal Insurance Company (U.S.A.)**
3F Toranomom YHK Bldg. 2-3-20, Toranomom
Minato-Ku, Tokyo 105-0001.
Tel.: +81-3-3519-8130.
URL: <http://www.chubbjapan.co.jp/>

 - **Assured Guaranty Municipal Corp.**
Meiji Seimei Kan 5F, 2-1-1 Marunouchi, Chiyoda-
Ku, Tokyo 100-0005.
Tel.: +81-3-5288-6230.
URL: <http://www.assuredguaranty.com>

 - **HDI-Gerling Industrie Versicherung AG
(Germany)**
Sanbancho KS Bldg. 7F, 2 Banchi, Sanbancho,
Chiyoda-Ku, Tokyo 102-0075.
Tel.: +81-3-5214-1361.
URL: <http://www.hdi-gerling.jp/>

 - **Hyundai Marine & Fire Insurance Company,
Ltd. (Korea)**
NBF Hibiya Bldg., 11F, 1-7, Uchisaiwaicho 1-
Chome, Chiyoda-Ku, Tokyo 100-0011.
Tel.: +81-3-5511-6565.
URL: <http://www.hdinsurance.co.jp/>

 - **The New India Assurance Company Ltd.
(India)**
Room No. 901, Marunouchi Mitsui Bldg., 2-2,
Marunouchi 2-Chome, Chiyoda-Ku, Tokyo 100-
0005.
Tel.: +81-3-3214-4711.
URL: <http://www.newindia.co.jp/>

 - **RGA Reinsurance Company (U.S.A.)**
Midtown Tower 41F, 9-7-1 Akasaka, Minato-Ku,
Tokyo 107-6241.
Tel.: +81-3-3479-7191.
URL: <http://www.rgare.com/index.asp>

 - **The Society of Lloyd's (U.K.) [Lloyd's Japan
Inc.]**
GranTokyo North Tower 38F, 9-1, Marunouchi 1-
Chome, Chiyoda-Ku, Tokyo 100-6738
Tel.: +81-3-5656-6955
URL: <http://www.lloyds.com/japan>

 - **Swiss Reinsurance Company Limited
(Switzerland)**
Otemachi First Square West Tower 9F, 1-5-1
Otemachi, Chiyoda-Ku, Tokyo 100-0004.
Tel.: +81-3-3272-2877.
URL: <http://www.swissre.com/>

 - **Transatlantic Reinsurance Company (U.S.A.)**
New Yurakucho Bldg., 3F, 12-1, Yurakucho 1-
Chome, Chiyoda-Ku, Tokyo 100-0006.
Tel.: +81-3-3212-6041.
URL: <http://www.transre.com/>

 - **The United Kingdom Mutual Steam Ship
Assurance Association (Bermuda) Ltd.
(Bermuda)**
Suzuyo Hamamatsu-cho Bldg. 8F, 2-1-16, Kaigan,
Minato-Ku, Tokyo 105-0022.
Tel.: +81-3-5442-6110.
URL: <http://www.ukpandi.com>
URL: <http://www.ukpandi.jp/>

 - **Zurich Insurance Company Ltd (Switzerland)**
Shinanomachi Rengakan, 35 Shinanomachi,
Shinjuku-Ku, Tokyo 160-8585.
Tel.: +81-3-5361-2580.
URL: <http://www.zurich.co.jp/>
- (The above companies are not the GIAJ members.)

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General Insurance Organizations (as of December 1, 2009)

- **Non-Life Insurance Rating Organization of Japan (established in 2002)**
9, Kanda Nishikicho 1-Chome, Chiyoda-Ku, Tokyo 101-0054.
Tel: +81-3-3233-4771.
URL: <http://www.nliro.or.jp/>
- **Japan Atomic Energy Insurance Pool (established in 1960)**
Non-Life Insurance Bldg., 9, Kanda Awajicho 2-Chome, Chiyoda-Ku, Tokyo 101-8335.
Tel: +81-3-3255-1231.
- **The Non-Life Insurance Institute of Japan (established in 1933)**
Non-Life Insurance Bldg., 9, Kanda Awajicho 2-Chome, Chiyoda-Ku, Tokyo 101-8335.
Tel: +81-3-3255-5511.
URL: <http://www.sonposoken.or.jp/english>
- **The Foreign Non-Life Insurance Association of Japan (established in 1949)**
Toranomom Suzuki Bldg. 7F, 3-20-4 Toranomom, Minato-Ku, Tokyo 105-0001.
Tel: +81-3-5425-7850.
URL: <http://www.fnlia.gr.jp/>
- **Non-Life Insurance Policyholders Protection Corporation of Japan (established in 1998)**
Non-Life Insurance Bldg., 9, Kanda Awajicho 2-Chome, Chiyoda-Ku, Tokyo 101-8335.
Tel: +81-3-3255-1635.
URL: <http://www.sonpohogo.or.jp/>
- **Independent Insurance Agents of Japan, Inc. (established in 1948)**
321 New Yurakucho Bldg. 1-12-1 Yurakucho, Chiyoda-Ku, Tokyo 100-0006.
Tel: +81-3-3201-2745.
URL: <http://www.nihondaikyo.or.jp/>

– To preserve our irreplaceable environment and ensure safety –

The General Insurance Association of Japan has obtained the ISO 14001 Certificate.

**INTERNATIONAL DEPARTMENT
THE GENERAL INSURANCE ASSOCIATION OF JAPAN**

NON-LIFE INSURANCE BUILDING

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Tel : +81-3-3255-1439

Fax : +81-3-3255-1234

E-mail : kokusai@sonpo.or.jp

URL : <http://www.sonpo.or.jp/en/>

