

GENERAL INSURANCE IN JAPAN

FACT BOOK



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I

Key Figures of General Insurance for Fiscal 2013

1

The Number of General Insurance Companies

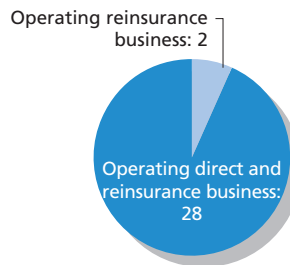
Total: **52**
 Domestic insurers: **30**
 Foreign insurers: **22**

As of Sep. 1, 2014, a total of 52 general insurance companies were operating in Japan; a total of 30 companies were licensed as domestic insurers, including 7 foreign capital domestic insurers, while 22 companies were licensed as foreign insurers.

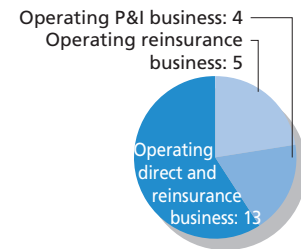
The number of people working in general insurance, including management, sales staff and temporary staff, was 93,229 as of April 1, 2014.

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

Agencies
 (at the end of fiscal 2013):
192,007

Agency sales staff
 (at the end of fiscal 2013):
2,052,176

The number of agencies decreased by 1.4%, and the number of sales staff also decreased by 2.0%.

There were 192,007 general insurance agencies of domestic and foreign general insurers and 2,052,176 sales staffs were engaged in the agency business at the end of fiscal 2013.

These agencies shared 91.6% of the written direct premiums in fiscal 2013.

The number of agencies



The number of agency sales staff



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

3 Premiums

Direct premiums:

8,568.8 billion yen

Net premiums:

7,771.3 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

The total of direct premiums, including the savings portion thereof, written in fiscal 2013 was 8,568.8 billion yen, up 4.6%. The total of net premiums written was 7,771.3 billion yen, up 5.4% (The figures are the totals for GIAJ member companies.).

■ Direct premiums



■ Net premiums



4 The Amount of Claims Paid

Net claims paid:

4,560.3 billion yen

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

Net claims paid on all classes of insurance during fiscal 2013 amounted to 4,560.3 billion yen, a decrease of 4.5% due to a decline in the number of traffic accidents. (The figures are the totals for GIAJ member companies.).

■ Net claims paid



5 Assets and Investments

Total assets:

28,929.8 billion yen

Working assets:

26,278.4 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 increased 1.7% to 28,929.8 billion yen, following the recovery of Japanese stock market and reflecting upgrades of possessing foreign security due to yen depreciation. Working assets also increased to 26,278.4 billion yen, up 2.8% (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:

414.6 billion yen

Net profits:

214.3 billion yen

Despite an underwriting deficit, ordinary profits for fiscal 2013 increased to 414.6 billion yen, due to a decrease in asset management cost. Net profits after tax also increased to 214.3 billion yen from 167.1 billion yen. (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:

64.1%

Operating expenses ratio:

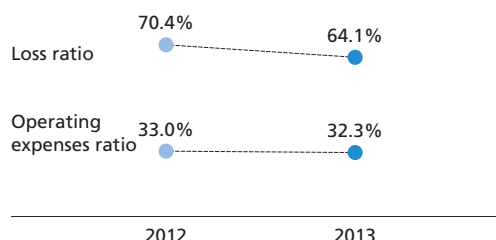
32.3%

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

The loss ratio decreased by 6.3% to 64.1%. The operating expenses ratio decreased by 0.7% to 32.3% in fiscal 2013 (The figures are the totals for GIAJ member companies.).

Loss ratio / Operating expenses ratio



8 Ownership of General Insurance Policies

Earthquake: **27.9%**
(at the end of 2013)

Voluntary Automobile
(bodily injury liability):

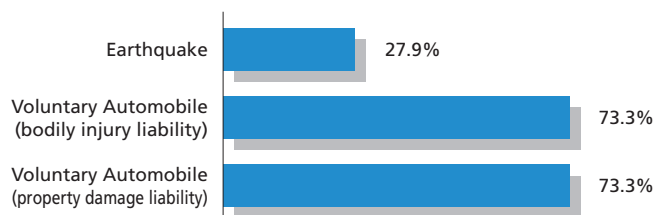
73.3%
(at the end of fiscal 2012)

Voluntary Automobile
(property damage liability):

73.3%
(at the end of fiscal 2012)

Ownership of Earthquake Insurance on Dwelling Risks represents the ratio of the number of earthquake insurance policies to the number of households on the Basic Resident Register in Japan. The ratio is as at the end of 2013 but others (2009-2012) are as at the end of each fiscal year, i.e. the end of March.

Ownership by line



Ownership of Earthquake Insurance on Dwelling Risks Policies

Fiscal Year	2009	2010	2011	2012	2013 (*)
National Average	23.0%	23.7%	26.0%	27.1%	27.9%

(*) The ratio of 2013 is as at the end of 2013.

Source: General Insurance Rating Organization of Japan.

Ownership of Voluntary Automobile Insurance

Fiscal Year	2008	2009	2010	2011	2012
Number of Registered Automobiles (thousand)	78,800	78,693	78,661	79,113	79,625
Bodily Injury Liability	72.8%	73.0%	73.4%	73.1%	73.3%
Property Damage Liability	72.8%	73.1%	73.4%	73.1%	73.3%
Passengers' Personal Accident	58.3%	57.7%	50.3%	45.1%	43.1%
Physical Damage	40.3%	41.2%	41.8%	42.1%	42.6%

Source: General Insurance Rating Organization of Japan.

II

Statistics

(Note) The figures are the totals for GIAJ member companies.

1. Income Statement

(in billions of yen & %)

Item	Fiscal 2012		Fiscal 2013	
	Amount	Growth	Amount	Growth
Ordinary Profit and Loss				
Underwriting Income	8,782.9	-6.4	8,655.5	-1.5
Net Premiums Written	7,371.8	3.6	7,771.3	5.4
Savings Portion of Maturity-refund type Insurance Premiums	509.1	-11.6	460.7	-9.5
Underwriting Expenses	7,686.5	-9.6	7,609.0	-1.0
Net Claims Paid	4,774.9	-13.3	4,560.3	-4.5
Loss Adjustment Expenses	416.0	-3.7	422.6	1.6
Agency Commissions and Brokerage	1,287.4	3.8	1,340.5	4.1
Maturity Refunds to Policyholders	1,119.3	4.8	981.1	-12.4
Net Provision for / Net Reversal of Outstanding Loss Reserves	-102.6	-243.0	179.4	—
Net Provision for / Net Reversal of Underwriting Reserves	-498.7	—	-107.8	—
Investment Income	664.5	2.4	683.6	2.9
Interest and Dividend Income	464.9	-2.6	492.4	5.9
Profits on Sales of Securities	337.8	1.3	325.3	-3.7
Investment Expenses	155.0	-33.0	88.5	-42.9
Losses on Sales of Securities	37.0	-60.6	19.9	-46.3
Losses on Revaluation of Securities	74.0	-12.0	18.8	-74.6
Operating and General Administrative Expenses	1,207.7	-1.8	1,229.2	1.8
Operating and General Administrative Expenses on Underwriting	1,146.6	-1.4	1,168.4	1.9
Other Ordinary Profits and Losses	-20.4	-299.8	2.3	—
Ordinary Profits	377.8	371.5	414.6	9.8
Underwriting Profits	-54.9	—	-134.4	—
Special Profits and Losses Balance	-95.6	—	-76.8	—
Profits for the Current Year before Corporate Taxes	282.2	826.4	337.8	19.7
Corporate Income Taxes and Corporate Resident Taxes	36.9	-40.2	22.2	-39.9
Adjustments in Corporate Income Taxes, etc.	78.1	-66.1	101.3	29.6
Total Income Taxes	115.0	-60.7	123.5	7.3
Net Profits for the Current Year	167.1	—	214.3	28.2

2. Abridged Balance Sheet

<Assets>

(in billions of yen & %)

Item	Fiscal 2012		Fiscal 2013	
	Amount	Share	Amount	Share
Deposits	928.8	3.3	861.2	3.0
Call Loans	427.8	1.5	404.4	1.4
Receivables under Resales Agreements	428.9	1.5	271.0	0.9
Receivables under Securities Borrowing Transactions	11.3	0.0	0.0	—
Monetary Receivables Bought	271.9	1.0	138.3	0.5
Money Trusts	91.4	0.3	119.3	0.4
Securities	20,590.5	72.3	21,836.3	75.5
National Government Bonds	6,196.1	21.8	6,601.0	22.8
Local Government Bonds	349.3	1.2	346.1	1.2
Corporate Bonds	2,670.8	9.4	2,619.3	9.1
Stocks	6,348.4	22.3	6,730.7	23.3
Foreign Securities	4,753.4	16.7	5,292.2	18.3
Other Securities	272.5	0.9	247.0	0.8
Loans	1,758.9	6.2	1,625.2	5.6
Real Estate	1,042.9	3.7	1,022.5	3.5
Total Working Assets	25,552.6	89.8	26,278.4	90.8
Other Assets	2,907.2	10.2	2,651.4	9.2
Total Assets	28,459.8	100.0	28,929.8	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 2012		Fiscal 2013	
	Amount	Share	Amount	Share
Underwriting Reserves	19,798.3	69.6	19,808.1	68.5
Outstanding Loss Reserves	3,399.9	12.0	3,518.4	12.2
Technical Provision	16,398.4	57.6	16,289.7	56.3
Other Liabilities	3,340.7	11.7	3,307.9	11.4
Total Liabilities	23,139.0	81.3	23,116.0	79.9
Capital	853.6	3.0	881.5	3.0
Suspense Receipts on Capital Subscriptions	—	—	—	—
Additional Paid in Capital	521.7	1.8	532.3	1.8
Earned Surplus	1,127.2	4.0	1,242.2	4.3
Earned Surplus Carried Forward	—	—	—	—
Treasury Stock	-6.0	-0.0	-5.2	-0.0
Unrealized Gain on Securities, Net of Income Taxes	2,794.8	9.8	3,148.4	10.9
Deferred Gains and Losses on Hedge Transactions	41.7	0.1	26.9	0.1
Land Revaluation Excess	-12.4	-0.0	-12.4	-0.0
Stock Acquisition Right	—	—	—	—
Total Equities	5,320.7	18.7	5,813.7	20.1
Total Liabilities and Equities	28,459.8	100.0	28,929.8	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 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,463,668	-0.5	1,486,268	1.5	1,455,136	-2.1	1,402,341	-3.6
Maturity-refund type	363,916	-6.7	334,870	-8.0	298,214	-10.9	271,036	-9.1
Voluntary Automobile	3,503,607	-1.4	3,501,836	-0.1	3,518,501	0.5	3,495,243	-0.7
Maturity-refund type	8,180	-19.7	7,433	-9.1	6,759	-9.1	6,064	-10.3
Personal Accident	1,478,874	-0.4	1,377,460	-6.9	1,293,711	-6.1	1,205,443	-6.8
Maturity-refund type	864,428	-4.0	737,305	-14.7	644,512	-12.6	559,501	-13.2
Miscellaneous Casualty	784,793	1.0	796,556	1.5	829,201	4.1	828,219	-0.1
Maturity-refund type	8,628	-29.7	9,448	9.5	3,487	-63.1	3,846	10.3
Burglary	18,784	-7.7	17,875	-4.8	15,587	-12.8	13,714	-12.0
Glass	1,692	-7.9	1,504	-11.1	1,302	-13.2	1,222	-6.1
Aviation	35,738	-25.7	32,321	-9.6	30,050	-7.0	28,007	-6.8
Windstorm & Flood	366	45.1	411	12.3	325	-20.5	233	-28.3
Guarantee	10,430	-5.4	10,713	2.7	11,913	11.3	11,511	-3.4
Credit	30,263	-1.0	30,102	-0.5	31,999	6.3	33,879	5.9
Workers' Accident Compensation Liability	70,090	-7.4	69,549	-0.8	63,305	-9.0	62,747	-0.9
Maturity-refund type	6,471	-39.8	8,190	26.6	3,016	-63.2	3,585	18.9
Boiler & Turbo-set	2,412	-4.6	2,357	-2.3	2,360	0.1	2,351	-0.4
Livestock	3,204	6.6	3,182	-0.7	3,541	11.3	3,570	0.8
General Liability	382,224	7.2	401,330	5.0	436,922	8.9	438,674	0.4
Machinery & Erection	32,665	1.3	34,583	5.9	35,905	3.8	35,540	-1.0
Shipowners' Liability for Passengers' Personal Accident	759	-6.7	781	2.9	722	-7.2	743	2.9
Contractors' All Risks	36,404	5.7	36,993	1.6	40,607	9.8	41,079	1.2
Atomic Energy	10,426	-4.1	11,252	7.9	11,356	1.0	11,007	-3.1
Movables Comprehensive	107,732	-4.8	103,934	-3.5	103,073	-0.8	100,030	-3.0
Maturity-refund type	155	-48.9	41	-73.2	2	-94.9	0	-100.0
Miscellaneous Pecuniary Loss	41,596	17.6	39,663	-4.6	40,148	1.2	43,816	9.1
Maturity-refund type	2,001	62.9	1,215	-39.2	468	-61.4	257	-45.1
Pet	—	—	—	—	—	—	—	—
Marine and Inland Transit	269,166	4.0	284,759	5.8	303,734	6.7	317,485	4.5
Marine Hull	58,680	-0.8	62,747	6.9	68,359	9.0	72,617	6.2
Marine Cargo	143,754	6.5	154,022	7.1	166,997	8.4	175,170	4.9
Inland Transit	66,731	3.0	67,989	1.9	68,369	0.6	69,690	1.9
Subtotal	7,500,110	-1.1	7,446,881	-0.7	7,400,330	-0.6	7,248,776	-2.0
Compulsory Automobile Liability	1,189,010	-1.1	1,144,548	-3.7	1,128,961	-1.4	1,041,570	-7.7
Grand total	8,689,120	-0.7	8,591,430	-1.1	8,529,291	-0.7	8,290,346	-2.8
Maturity-refund type	1,245,154	-5.2	1,089,058	-12.5	952,972	-12.5	840,447	-11.8

(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 2008		Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012		Fiscal 2013	
Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
1,402,328	-0.0	1,398,189	-0.3	1,315,875	-5.9	1,377,306	4.7	1,413,374	2.6	1,452,324	2.8
253,328	-6.5	244,666	-3.4	213,204	-12.9	201,925	-5.3	179,301	-11.2	151,889	-15.3
3,447,541	-1.4	3,413,500	-1.0	3,431,368	0.5	3,476,089	1.3	3,592,707	3.4	3,750,511	4.4
5,295	-12.7	2,823	-46.7	1,001	-64.5	106	-89.4	—	—	—	—
1,109,850	-7.9	1,025,566	-7.6	1,040,314	1.4	1,067,749	2.6	1,029,505	-3.6	1,013,391	-1.6
471,663	-15.7	390,755	-17.2	396,559	1.5	409,703	3.3	362,265	-11.6	337,238	-6.9
853,364	3.0	892,174	4.5	896,566	0.5	922,273	2.9	964,808	4.6	1,048,629	8.7
1,417	-63.2	489	-65.5	424	-13.3	765	80.4	250	-67.3	317	26.8
12,915	-5.8	11,196	-13.3	10,286	-8.1	9,856	-4.2	9,283	-5.8	9,200	-0.9
1,045	-14.5	915	-12.4	820	-10.4	791	-3.5	758	-4.2	717	-5.4
23,654	-15.5	20,700	-12.5	19,503	-5.8	16,845	-13.6	14,506	-13.9	16,152	11.3
260	11.6	197	-24.2	68	-65.5	58	-14.7	58	0.0	61	5.2
12,060	4.8	10,908	-9.6	10,343	-5.2	10,600	2.5	11,622	9.6	12,513	7.7
38,928	14.9	39,306	1.0	35,754	-9.0	34,973	-2.2	33,165	-5.2	31,318	-5.6
58,363	-7.0	53,450	-8.4	48,866	-8.6	48,510	-0.7	57,296	18.1	61,912	8.1
1,284	-64.2	152	-88.2	-24	-115.8	15	—	8	-46.7	2	-75.0
2,278	-3.1	2,368	4.0	2,333	-1.5	2,295	-1.6	2,381	3.7	2,197	-7.7
3,303	-7.5	2,940	-11.0	2,926	-0.5	3,102	6.0	3,089	-0.4	3,488	12.9
440,181	0.3	474,757	7.9	474,877	0.0	476,378	0.3	489,241	2.7	517,299	5.7
34,325	-3.4	32,317	-5.8	31,273	-3.2	30,661	-2.0	30,976	1.0	30,489	-1.6
733	-1.3	709	-3.3	644	-9.2	639	-0.8	609	-4.7	602	-1.1
40,792	-0.7	36,231	-11.2	32,121	-11.3	36,346	13.2	39,923	9.8	42,857	7.3
10,301	-6.4	10,747	4.3	10,088	-6.1	8,602	-14.7	5,761	-33.0	4,557	-20.9
95,327	-4.7	86,359	-9.4	82,254	-4.8	82,485	0.3	81,276	-1.5	83,972	3.3
0	—	—	—	—	—	—	—	—	—	—	—
72,368	65.2	100,000	38.2	123,467	23.5	143,187	16.0	164,719	15.0	207,374	25.9
134	-47.9	334	149.3	447	33.8	748	67.3	240	-67.9	314	30.8
6,441	—	8,980	39.4	10,858	20.9	16,872	55.4	20,065	18.9	23,844	18.8
298,629	-5.9	248,395	-16.8	257,315	3.6	257,085	-0.1	261,031	1.5	281,048	7.7
73,110	0.7	73,405	0.4	71,408	-2.7	71,528	0.2	75,795	6.0	84,475	11.5
156,343	-10.7	112,392	-28.1	125,113	11.3	123,325	-1.4	122,073	-1.0	132,187	8.3
69,167	-0.8	62,590	-9.5	60,790	-2.9	62,225	2.4	63,159	1.5	64,386	1.9
7,111,754	-1.9	6,977,872	-1.9	6,941,482	-0.5	7,100,544	2.3	7,261,468	2.3	7,545,947	3.9
868,362	-16.6	805,834	-7.2	806,334	0.1	891,712	10.6	930,807	4.4	1,022,883	9.9
7,980,116	-3.7	7,783,706	-2.5	7,747,816	-0.5	7,992,256	3.2	8,192,275	2.5	8,568,830	4.6
731,703	-12.9	638,733	-12.7	611,188	-4.3	612,499	0.2	541,816	-11.5	489,444	-9.7

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 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

(in millions of yen & %)

Class of Business	Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012		Fiscal 2013	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	1,054,132	-1.0	1,007,338	-4.4	1,032,508	2.5	1,071,890	3.8	1,146,888	7.0
Voluntary Automobile	3,426,637	-0.9	3,456,389	0.9	3,501,458	1.3	3,614,716	3.2	3,764,820	4.2
Personal Accident	639,568	-1.2	647,717	1.3	661,840	2.2	678,049	2.4	687,210	1.4
Miscellaneous Casualty	826,385	-0.9	818,851	-0.9	826,369	0.9	854,719	3.4	921,776	7.8
Marine and Inland Transit	224,793	-18.4	232,396	3.4	231,868	-0.2	233,739	0.8	253,876	8.6
Marine Hull	56,898	3.1	55,306	-2.8	56,114	1.5	58,411	4.1	64,549	10.5
Marine Cargo	108,724	-29.7	119,774	10.2	117,610	-1.8	116,728	-0.7	129,649	11.1
Inland Transit	59,162	-9.9	57,310	-3.1	58,138	1.4	58,592	0.8	59,671	1.8
Subtotal	6,171,571	-1.7	6,162,740	-0.1	6,254,095	1.5	6,453,161	3.2	6,774,620	5.0
Compulsory Automobile Liability	799,543	-9.5	808,254	1.1	862,038	6.7	918,644	6.6	996,660	8.5
Grand total	6,971,114	-2.7	6,970,994	-0.0	7,116,133	2.1	7,371,805	3.6	7,771,280	5.4

(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 Paid by Line

(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

(in millions of yen & %)

Class of Business	Fiscal 2009		Fiscal 2010		Fiscal 2011		Fiscal 2012		Fiscal 2013	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Fire	374,606	-5.9	356,898	-4.7	2,296,870	543.6	924,702	-59.7	635,732	-31.3
Voluntary Automobile	2,176,101	0.9	2,216,405	1.9	2,234,001	0.8	2,213,972	-0.9	2,137,113	-3.5
Compulsory Automobile Liability	795,450	-1.5	791,484	-0.5	801,485	1.3	796,363	-0.6	804,370	1.0
Personal Accident	350,805	2.3	348,137	-0.8	348,257	0.0	347,645	-0.2	351,482	1.1
Miscellaneous Casualty	519,920	-2.0	467,655	-10.1	488,831	4.5	491,890	0.6	512,807	4.3
Marine and Inland Transit	136,628	-4.9	129,466	-0.1	161,915	25.1	143,591	-11.3	150,530	4.8
Total	4,353,561	-0.6	4,310,089	-1.0	6,331,400	46.9	4,918,204	-22.3	4,592,081	-6.6

6. International Comparison of General Insurance Premium Volume (2012)

Country (Region)	Gross Direct Premiums			Gross Direct Premiums GDP		Per Capita Premiums	
	(in millions of USD)	Rank	Share (%)	(%)	Rank	(USD)	Rank
United States	703,128	1	35.30	4.52	4	2,239	3
Japan	129,740	2	6.51	2.27	26	1,025	18
Germany	125,497	3	6.30	3.62	8	1,505	10
United Kingdom	105,500	4	5.30	2.84	14	1,094	16
PR China	104,302	5	5.24	1.26	62	76	68
France	93,112	6	4.68	3.28	10	1,304	12
Netherlands	71,005	7	3.57	9.19	1	4,235	1
Canada	70,750	8	3.55	3.89	7	2,040	4
South Korea	60,376	9	3.03	5.25	3	1,207	14
Italy	50,945	10	2.56	2.27	27	748	24
Australia	42,525	11	2.14	2.76	17	1,935	7
Spain	38,229	12	1.92	2.83	16	827	23
Brazil	37,483	13	1.88	1.66	47	189	49
Switzerland	27,376	14	1.37	4.33	5	3,401	2
Russia	24,296	15	1.22	1.24	63	170	53
Taiwan	15,230	16	0.76	3.16	11	653	28
Belgium	14,564	17	0.73	2.75	18	1,208	13
Venezuela	13,670	18	0.69	3.58	9	457	31
India	13,142	19	0.66	0.78	74	11	85
Mexico	13,138	20	0.66	1.12	67	113	61
Other regions	237,642	—	11.93	—	—	—	—
Total/Average	1,991,650	—	100.00	2.81	—	283	—

- (Notes) 1. Figures are compiled by the GIAJ based on the "Sigma No.3/2013" by Swiss Re.
2. Total (average) figures are those total (average) figures of 147 countries/regions in 2012.
3. Gross Direct Premiums include all premiums written by domestic and foreign companies within the country.

7. General Insurance Business of Overseas Consolidated Subsidiaries

Net Premium of Overseas Consolidated Subsidiaries

(in millions of yen & %)

	Fiscal 2010		Fiscal 2011		Fiscal 2012		Fiscal 2013	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Direct Insurers	453,387	-1.7	458,793	1.2	600,162	30.8	902,747	50.4
The Americas	268,479	-4.1	261,008	-2.8	343,903	31.8	569,192	65.5
Europe/ Middle East/ Africa	73,209	-12.7	61,668	-15.8	85,929	39.3	114,858	33.7
Asia/ Oceania	111,699	14.9	136,117	21.9	170,330	25.1	218,697	28.4
(Specialized) Reinsurers	173,689	-6.3	183,151	5.4	230,665	25.9	300,327	30.4
Total	627,080	-3.0	641,948	2.4	830,834	29.4	1,203,582	44.9

Net Claims Paid by Overseas Consolidated Subsidiaries

(in millions of yen & %)

	Fiscal 2010		Fiscal 2011		Fiscal 2012		Fiscal 2013	
	Amount	Growth	Amount	Growth	Amount	Growth	Amount	Growth
Direct Insurers	233,585	-12.1	261,683	12.0	294,947	12.7	434,167	47.2
The Americas	123,535	-1.6	135,464	9.7	155,760	15.0	252,130	61.9
Europe/ Middle East/ Africa	56,700	-37.4	59,923	5.7	50,287	-16.1	64,818	28.9
Asia/ Oceania	53,350	7.4	66,296	24.3	88,900	34.1	117,219	31.9
(Specialized) Reinsurers	63,325	-7.3	99,975	57.9	167,101	67.1	140,547	-15.9
Total	296,914	-11.1	361,662	21.8	462,054	27.8	574,721	24.4

(Notes) These figures show summation data of overseas consolidated subsidiaries whose parent companies are Japanese insurers or Japanese insurance holding companies. Offsetting internal transactions are not taken into consideration.

8. International Reinsurance Business

Outward Reinsurance Balance

(in billions of yen)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Premiums (paid)	244.1	248.4	290.7	292.5	294.6	327.2	315.7	358.2	457.8	542.7
Claims (received)	242.1	162.7	118.2	125.8	149.8	147.6	141.4	475.5	421.0	308.0
Balance	-2.0	-85.7	-172.5	-166.7	-144.7	-179.5	-174.3	117.3	-36.8	-234.7

(Notes) Claims (received) include reinsurance commission.

Inward Reinsurance Balance

(in billions of yen)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Premiums (received)	195.4	212.7	240.8	230.3	211.2	183.1	201.0	207.3	268.7	363.5
Claims (paid)	212.6	227.3	225.8	229.2	195.6	191.0	194.9	244.8	320.6	324.5
Balance	-17.2	-14.6	15.0	1.1	15.6	-7.9	6.1	-37.5	-51.9	39.0

(Notes) Claims (paid) include reinsurance commission.

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

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

	2004	2005	2006
Number of Insurance Companies Operating Overseas	11	9	10

Number of Countries / Regions (Note 2)

	2004	2005	2006
Number of Regions Where Insurance Companies Operating Overseas	49	44	45

Number of Japanese Insurers' Offices Abroad

	2004	2005	2006
Number of Japanese Insurers' Offices Abroad	202	195	213

Liaison Offices

	2004	2005	2006
Number of Japanese Insurers with Liaison Offices	11	10	10
Number of Countries / Regions	46	42	43
Number of Cities	81	77	78
Number of Offices	178	171	175

- (Notes)
1. Figures represent the number of Japanese insurers conducting foreign business by type of overseas offices, and include cases same region.
 2. Figures represent the number of countries or regions where Japanese insurers conduct foreign business through overseas offices.

2007	2008	2009	2010	2011	2012	2013	2014
10	10	9	9	8	8	7	6

2007	2008	2009	2010	2011	2012	2013	2014
45	44	51	50	50	47	46	46

2007	2008	2009	2010	2011	2012	2013	2014
218	220	285	206	196	194	198	188

2007	2008	2009	2010	2011	2012	2013	2014
10	10	10	10	7	7	7	6
43	43	44	41	42	41	40	43
77	79	81	78	79	79	79	82
172	174	179	174	172	175	183	184

where a Japanese insurer conducts its business through both overseas subsidiaries and branches/agents of its home country head office in the



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 operating at the time. 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 following year, in 1942, its name and functions were

changed to the Non-Life Insurance Control Association to assist the government in the control of the industry during a chaotic economic period. Shortly after 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 30 member companies (as of September 1, 2014).

2 Objective

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

insurance business in Japan.

3 Major Activities

a. Enhancing the dissemination and understanding of general insurance

The GIAJ provides a variety of information about general insurance for enhancing consumers understanding through the website of the GIAJ, and by sending lecturers to speech sessions.

b. Responding to consultation, complaints and disputes

The GIAJ operates the Sonpo ADR center (General insurance Counseling and ADR Center) to answer consumer inquires and carry out proceedings for complaint and dispute resolution

from a neutral, fair standpoint as a designated dispute resolution organization under the Insurance Business Law.

c. Improving the quality of insurance business administration

The GIAJ makes use of its position as a third-party organization to improve the quality of industry-wide business through advancing measures based on consumer opinions while establishing many other guidelines.

d. Maintaining and improving the business environment of general insurance

The GIAJ plays key roles in industry-wide systems, such as earthquake insurance. It also carries out research and study, and issues various requests and proposals of the general insurance industry in order to maintain and improve the business environment.

e. Preventing / reducing damage caused by accidents, disasters and crimes

The GIAJ makes efforts to reduce social losses by conducting educational activities and submitting proposals for traffic safety, and disaster and crime prevention.

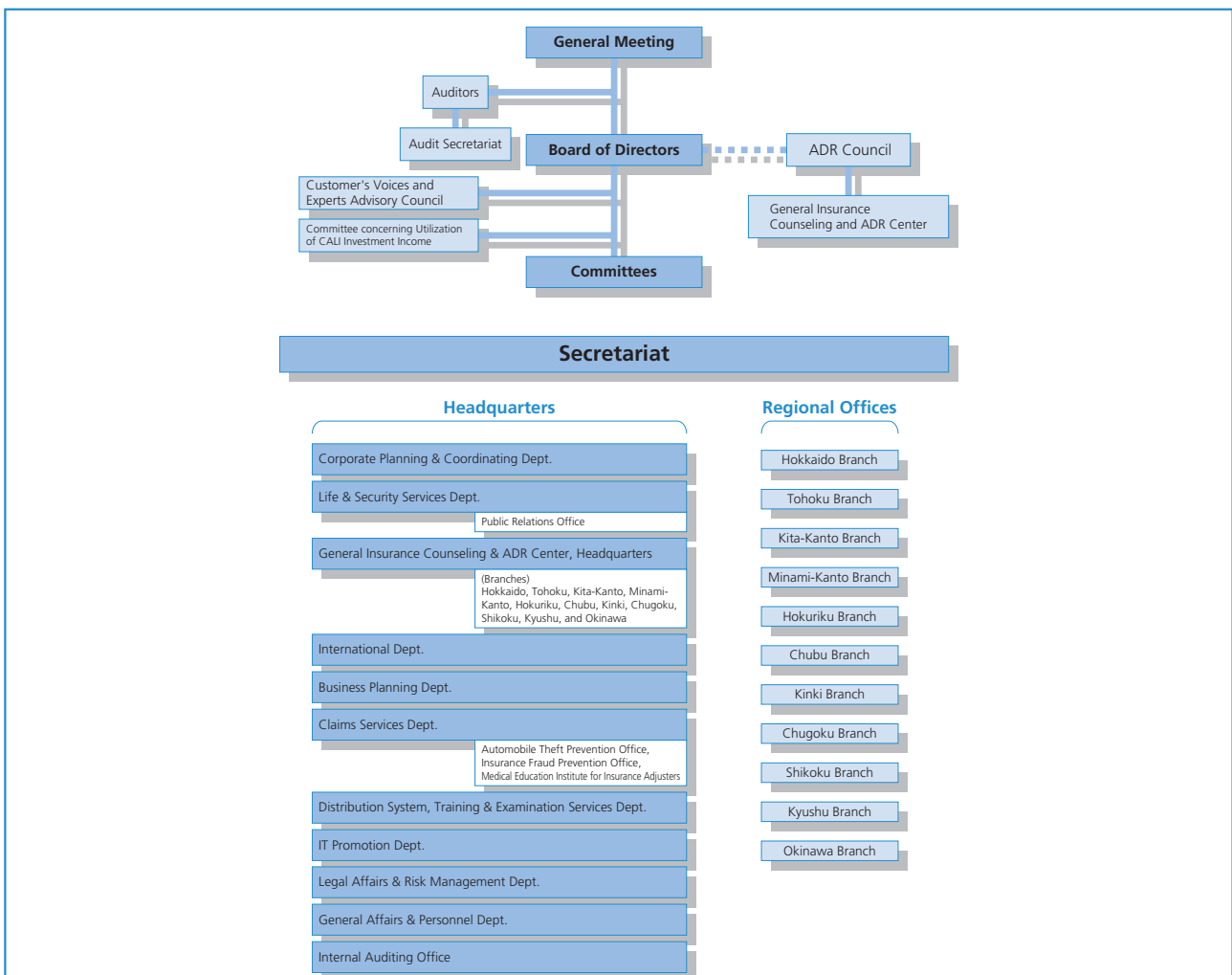
f. Education and Examinations for agents and solicitors

The GIAJ implements educational programs and the examination system in order to enhance the quality of insurance solicitation.

g. Contribution to the Global Community

The GIAJ actively participates in the International Association of Insurance Supervisors (IAIS) standard setting activities as an observer, closely monitoring and advocating 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 Organization (as of July 1, 2014)



IV

Directory

1

Licensed Domestic Companies (30 Companies as of Sep. 1, 2014)

- ACE Insurance
- Aioi Nissay Dowa Insurance Co., Ltd.
- AIU Insurance Company, Ltd.
- Allianz Fire and Marine Insurance Japan Ltd.
- American Home Assurance Company, Ltd.
- Anicom Insurance, Inc.
- The Asahi Fire & Marine Insurance Co., Ltd.
- au Insurance Co., Ltd.
- AXA GENERAL INSURANCE CO., Ltd.
- The Daido Fire and Marine Insurance Co., Ltd.
- E.design Insurance Co., Ltd.
- The Fuji Fire & Marine Insurance Co., Ltd.
- Hitachi Capital Insurance Corporation
- H.S. Insurance Co., Ltd.
- ipet Insurance CO., Ltd.
- Japan Earthquake Reinsurance Co., Ltd.
- JI Accident & Fire Insurance Co., Ltd.
- The Kyoei Fire & Marine Insurance Co., Ltd.
- Meiji Yasuda General Insurance Co., Ltd.
- Mitsui Direct General Insurance Co., Ltd.
- Mitsui Sumitomo 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 Nipponkoa Insurance Inc.
- Sonpo 24 Insurance Co., Ltd.
- Sony Assurance Inc.
- The Toa Reinsurance Co., Ltd.
- Tokio Marine & Nichido Fire Insurance Co., Ltd.

(● represents the GIAJ member companies.)

2 Licensed Foreign Companies (22 Companies as of July 1, 2014)

- Assicurazioni Generali S.p.A. (Italy)
- Assuranceforeningen GARD - gjensidig (Norway)
- Atradius Credit Insurance N.V. (Netherlands)
- The Britannia Steam Ship Insurance Association Ltd. (U.K.)
- CARDIF-Assurances Risques Divers (France)
- Coface Japan (Compagnie Française d'Assurance pour le Commerce Extérieur / France)
- Euler Hermes Deutschland AG (Germany)
- Federal Insurance Company (U.S.A.)
- General Reinsurance AG (Germany)
- HDI-Gerling Industrie Versicherung AG (Germany)
- Hyundai Marine & Fire Insurance Co., Ltd. (Korea)
- Muenchener Rueckversicherungs-Gesellschaft AG in Muenchen (Germany)
- The New India Assurance Company Ltd. (India)
- The North of England Protecting and Indemnity Association Limited (U.K.)
- RGA Reinsurance Company (U.S.A.)
- The Society of Lloyd's (U.K.) [Lloyd's Japan Inc.]
- Starr Indemnity & Liability Company (U.S.A.)
- Swiss Reinsurance Company Ltd (Switzerland)
- Swiss Re International SE (Luxembourg)
- Transatlantic Reinsurance Company (U.S.A.)
- The United Kingdom Mutual Steam Ship Assurance Association (Europe) Ltd. (U.K.)
- Zurich Insurance Company Ltd (Switzerland)

(The above companies are not GIAJ members.)

3 General Insurance Organizations (as of Sep. 1, 2014)

- General Insurance Rating Organization of Japan
- Japan Atomic Energy Insurance Pool
- The General Insurance Institute of Japan
- The Foreign Non-Life Insurance Association of Japan, Inc.
- Non-Life Insurance Policyholders Protection Corporation of Japan
- Independent Insurance Agents of Japan, Inc.
- The Small Amount & Short Term Insurance Association of Japan
- Japan Insurance Brokers Association
- Loss Adjusters Association of Japan
- All Japan Independent Adjusters Association

– To preserve our irreplaceable environment and ensure safety –

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

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