

GIAJ Chairman's Statement (Translation/Executive summary)

Dec. 15, 2022

Giichi Shirakawa, Chairman of the GIAJ, released the following statement on December 15:

1. Introduction

As of the end of November, the general insurance companies are collectively expected to pay approximately 126.5 billion yen in insurance claims for Typhoons No. 14 (Nanmadol) and No. 15 (Talas) that occurred in September.

Three years have passed since the outbreak of COVID-19. While the economy is expected to gradually recover due to government measures, the situation still requires close monitoring in terms of economic trends, including concerns over the downturn in overseas economies, rising prices, and exchange rate fluctuations.

The "8th Wave" of the COVID-19 spread requires us to take infection countermeasures that reflect the characteristics of the virus, and proceed carefully with the transition to normal times. Given the current situation, the GIAJ will continue to work on further expanding non-face-to-face, non-contact, paperless procedures, and help our member companies strengthen their ability to respond to changes in the social environment, including "coping with COVID".

2. Specific measures for realizing the above initiatives

(1) Climate change and natural disasters

a. Measures for disaster prevention and reduction

In cooperation with the national and local governments, we will focus on disaster prevention measures in line with regional characteristics. We will also continue to promote educational activities to help the general public incorporate disaster preparedness into their daily lives. The main initiatives are as follows:

Promoting and educating the public about earthquake insurance through new content on the "Sonpo (General Insurance) Disaster Prevention Website".

Participating in the 7th National Conference for Promoting Disaster Risk Reduction (Bosai Kokutai 2022).

Giving awards to the winning entries of the 19th "Explore your town - Disaster prevention hotspots" map-making competition for elementary school students.

b. Countermeasures against unscrupulous home repairers who try to gain profit unfairly by taking advantage of natural disasters

The GIAJ is taking a variety of measures, such as creating and distributing alert flyers at each branch office, and requesting local governments and the police to disseminate related information. As part of these measures, the following are also being implemented.

In September, the GIAJ began operating the "Consultation Dial regarding Unscrupulous Business for Gaining Profit Unfairly by Taking Advantage of Natural Disasters".

In November, newspaper advertisements were published to inform the general public of the above.

Digital advertisements have also been published.

As a result of our efforts to support our member companies in introducing an AI-based tool to detect unscrupulous home repairers, and to share information on suspected fraudulent claims and detection conditions, several member companies have implemented the tool.

In cooperation with the Independent Insurance Agents of Japan, Inc., we are preparing a system to provide e-mail alerts to customers and information to member agents.

c. Responses to issues related to climate change and sustainability

In October, the GIAJ held the 4th Climate Change Study Session on the PSI's initiatives and activities to expand sustainable insurance online. Approximately 400 participants from member companies attended the session, which contributed to their better understanding.

In November, we published a "Climate Change Newsletter" on our website to provide information on trends in international efforts to reduce and restore the loss of natural capital and biodiversity (currently the focus of attention at the CBD COP15).

In addition, in September, the General Insurance Institute of Japan (GIJ) published a report entitled "Responses by the Insurance Industry in Major Countries for the Realization of Carbon Neutrality - Focusing on Insurance Underwriting and Related Services that Support the Shift to Renewable Energy". The report covers trends in international initiatives, international organizations, etc., and the status of responses by the insurance industry and insurance companies in major countries and regions towards the realization of carbon neutrality.

(2) Digital transformation (DX)

a. Acceleration of the harmonization and standardization of business procedures

As for the online "Insurance Premium Deduction Certificate(*) Issuance Service" (*used for year-end adjustments and tax returns), 11 member companies participated in this service, which covers 97.6% of the total number of residential earthquake insurance policies written.

Paperless premium deductible procedures are becoming more widespread. Compared to the previous fiscal year, there has been an increase in the number of customers who obtained their certificates for tax deduction electronically.

In addition to stable system operations and improved convenience, we will continue to work with related institutions and organizations to promote and expand the use of electronic data for premium deduction certificates in the year-end adjustment and tax return procedures.

b. Countermeasures against emerging risks

In September, the GIAJ conducted a survey of SMEs on their awareness of and countermeasures against risks surrounding their business activities.

The survey results showed that while about 90% of companies are aware of some risks in their business activities, only about 50% have general insurance as a risk countermeasure.

In response to these results, the GIAJ is promoting insurance dissemination for businesses by updating its educational flyers and the "Insurance Necessary for Small and Medium-Sized Businesses" content on its special website as well.

Starting in late December, the GIAJ will hold a publicity campaign via several television broadcasts to inform the general public about measures to prepare for risks.

In addition, each branch office is conducting educational activities for SMEs in cooperation with local METI bureaus (Bureaus of Economy, Trade and Industry) and related organizations.

Following the Chugoku Branch in June, the Hokkaido Branch (September), Kinki Branch (October), and Chubu Branch (December), other branches are holding seminars to provide information on strengthening the business continuity capabilities of SMEs.

(3) Other major ongoing efforts

The GIAJ is also promoting the following initiatives:

- Improving general insurance literacy among young people (e.g., providing video materials with basic content on private insurance).
- Measures to improve the environment through insurance business (e.g., submitting opinions (in November) to the Net-Zero Insurance Alliance's public consultation on its Target-Setting Protocol towards reducing GHG emissions by the insured).
- Responding carefully to the psychological (secondary) damage caused to victims of traffic accidents (e.g., preparation of a "Handbook on Responding to Victims of Traffic Accidents", a training manual for employees of our member companies).
- Strengthening various support initiatives for, and cooperation with, emerging markets through:
 - Commemorative speeches by prominent ISJ alumni at the ISJ's 50th anniversary events, the launch of a special website, the creation of a new ISJ logo, and the publication of a commemorative issue of the ISJ graduates bulletin, etc.
 - Support for proper payment of insurance claims related to medical expenses in Vietnam (online seminars), etc.
- Efforts to improve the quality of insurance solicitation (holding online a ceremony to commemorate the acquisition of new accreditation as well as a seminar).
- Requests for tax reform in FY2023 (e.g., measures to be taken when rules are revised following the final agreement on new international taxation rules).

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