

December 18, 2025

GIAJ Chairman's Statement (English Translation)

General Insurance Association of Japan
Chairman Shinichiro Funabiki

Approximately six months have passed since I assumed the position of Chairman. I would like to report on the main initiatives undertaken during this period and share my thoughts.

1. Introduction

Last month, a large-scale fire occurred in Oita City, Oita Prefecture. I would like to offer my deepest condolences and heartfelt sympathies to the families and friends of those whose lives were lost, and to all affected by the tragic incident. This month, an earthquake struck with its epicenter in eastern Aomori Prefecture. I would like to again extend my sincere sympathies to everyone affected, and also express my deep respect for those involved in rescue and recovery efforts in the affected areas.

In recent years, unprecedented torrential rains and severe storms have caused widespread damage across Japan. The intensifying and increasingly frequent natural disasters associated with climate change are becoming our new reality. The general insurance industry will continue to strive to make prompt and appropriate insurance payouts to affected policyholders, while also focusing efforts on initiatives to raise awareness of disaster risks among consumers and businesses.

Furthermore, the threat of cyberattacks has become increasingly severe in recent times. Sophisticated and large-scale attacks targeting domestic and international organizations are reported on a daily basis, and the risk of business interruption affecting entire supply chains is having a profound impact on society. We remain committed to supporting the enhancement of society's overall resilience against this emerging threat by providing specialized products and risk mitigation services.

We reaffirm our industry's mission to contribute to the stability of people's lives and the development of the national economy. We will continue to fulfill our role as an essential part of social infrastructure, contributing to the realization of a safe and secure society by providing products and services that support economic growth.

2. Specific initiatives

2.1 Initiatives to restore the trust of customers and society

To achieve “Thorough Customer-Centric Business Operations” and the “Realization of a Sound Competitive Environment”, we are advancing initiatives centered on “Efforts to Improve the Quality of Insurance Agency Solicitation” for the former, and “Efforts to Enhance Risk Management Awareness within Companies” for the latter.

2.1.1 Initiatives to improve the quality of insurance agency sales

We are conducting trials in preparation for full implementation of the Agency Business Quality Evaluation System starting in fiscal 2026. General insurance companies have initiated dialogues with insurance agencies using self-assessment checklists. These discussions focus on establishing sales management systems and improving sales quality, with both parties implementing measures to advance appropriate insurance sales practices.

a. Formulation of draft amendments to the Evaluation Guidelines for Agency Business Quality and revised Self-Assessment Checklists

During the public comment period on revisions to the Self-Assessment Checklists and related materials conducted from July to August, approximately 900 comments were received. Based on these, draft amendments to the Evaluation Guidelines and revised Self-Assessment Checklists were developed, and a second public comment period was opened with a deadline at the end of November. We will make further revisions to the Evaluation Guidelines based on the feedback received and proceed with preparations for full-scale implementation of the Agency Business Quality Evaluation System starting in fiscal 2026.

Furthermore, based on the trial follow-up inspections initiated in July, we will enhance the effectiveness of these inspections by adding new roles to the Council on Agency Business Quality. These roles include conducting hearings on the status of agency guidance by insurance companies and making recommendations for improvements.

b. Restructuring the agent qualification system

We established a new mandatory qualification system for compliance officers at large-scale multi-representative general insurance agencies, and began administering the examination this month. We have also enhanced the legal unit curriculum within the General Insurance College Program's Specialist Course. Candidates who pass the examination for this unit, and subsequently complete video-based learning materials, may obtain the compliance officer qualification.

2.1.2 Initiatives to enhance risk management awareness within companies

We are working to enhance risk management awareness within companies, so they can select insurance products and services aligned with their own risk management policies. This is recognized as an important priority, as evidenced by the inclusion of “Promoting Corporate Risk Management Utilizing Non-Life Insurance” in the FSA Strategic Plan (Financial Administration Policy).

As part of these efforts, we held a seminar on November 19 for executives working to enhance corporate value and for risk management departments. The seminar aimed to improve awareness and knowledge of corporate risk management among approximately 700 participants. Following presentations on “Overcoming Uncertainty in the VUCA Era” by the Industrial Finance Division of the Ministry of Economy, Trade and Industry, and “Prospects and Challenges for Advancing Risk Management and Insurance Purchasing by Japanese Companies” by Professor Noriyoshi Yanase of Keio University, a panel discussion featuring risk management experts was held. The seminar proceedings are available as an archived video on the Association's official YouTube channel.

Furthermore, as part of our efforts to cultivate corporate risk managers, we are advancing discussions toward establishing an industry-wide training program, with a view to introduce a certification system in the future.

Additionally, the first meeting of the “Study Group on Advancing Corporate Risk Management”, co-hosted by the Ministry of Economy, Trade and Industry and the Financial Services Agency, was held this month. Our association is participating in this study group, and we will work together to advance risk management.

Advancing risk management in Japanese companies enhances organizational resilience, improves the quality of management decision-making, and encourages new challenges. We believe this is an area requiring joint public-private sector efforts to support corporate value creation, contribute to sustainable development, and ultimately support Japan's economic growth.

2.1.3 Responses based on revised supervision guidelines

This month, public comments began on revisions to the “Comprehensive Supervision Guidelines for Insurance Companies” (hereinafter “Supervision Guidelines”) and related documents. These revisions address areas such as “Ensuring Appropriate Comparative Recommendation Sales at Multi-Representative Agencies”, “System Development for Specific Large-Scale Multi-Representative General Insurance Agencies”, and “Expanding the Scope of the Prohibition on the Provision of Special Benefits”.

Regarding comparative recommendation sales, the so-called “Method A”—where agencies select and recommend insurance products based on their own agendas and criteria—will be abolished. Going forward, agencies must either propose the optimal product based on customer intent, or present multiple products and request the customer's selection. To uphold the best interests of customers, we as an industry will work to standardize comparative recommendation sales and establish a customer-centric sales system.

Moreover, to ensure the effectiveness of each initiative aimed at restoring trust and to elevate the overall level of industry efforts, we conducted a third follow-up survey on guidelines, etc., for member companies. “Guidelines for Appropriate Provision of Benefits by General Insurance Companies” were newly added as a follow-up item. Additionally, follow-ups for guidelines such as the “Guidelines on the Secondment of Employees from General Insurance Companies” were conducted based on the revised content. We have confirmed that respective guidelines

are being steadily implemented by member companies, with progress corresponding to the time elapsed since formulation or revision. We will continue to formulate or revise guidelines as needed, and will regularly follow up on member companies' implementation status.

2.2 Initiatives related to the 10th Medium-Term Master Plan and key objectives

We are steadily advancing initiatives aligned with the three key objectives of the 10th Medium-Term Master Plan.

2.2.1 Establishing a business foundation to support growth of the general insurance industry

On December 1, we launched “s-JIBAI”, a joint system that enables paperless operations for damage investigation and payment processing in compulsory automobile liability insurance. This system will accelerate insurance payments to customers while improving operational efficiency through cost reductions in mailing and paper usage.

On the same day, we also launched a new electronic confirmation system for performance bonds for public construction works and performance guarantee insurance certificates. This system contributes to operational efficiency, paperless processing, and enhanced security and convenience for member companies and all parties involved in public works performance guarantees.

2.2.2 Enhancing the resilience of society and insurance systems

On October 8, we held an “Insurance Fraud Prevention Seminar” aimed at strengthening member companies' capabilities in responding to fraudulent insurance claims. Centred on the theme “Handling Fraudulent Claims Related to Fabricated Accidents in Automobile Insurance”, the seminar provided detailed explanations, including how to detect fabricated accidents in automobile insurance claims, key considerations during damage investigations, and verification points illustrated through case studies. The seminar proved to be a highly practical and valuable seminar for damage investigators.

2.2.3 Promoting risk management awareness among consumers and businesses

As part of our business-focused initiatives, we conducted our annual survey on risk awareness and countermeasures among small and medium-sized enterprises (SMEs), which has been ongoing since 2021. While approximately 81.1% of SMEs recognize some form of risk in their business activities, the coverage rate for general insurance remains low: just under 58.6% for “fire insurance”, and around 30% for other types of insurance. For cyber insurance, the rate is even lower, at just under 8.8%. In addition, one in four SMEs has suffered damage from some form of risk. Over half of the companies that actually experienced damage responded that they “were insufficiently prepared for the risk”, or “did not expect the damage costs to be so high”.

Based on these findings, we will emphasize the importance of recognizing risks as personal concerns rather than someone else's problem, and of making daily preparation for potential damage.

Furthermore, this survey revealed that only about one in nine SMEs is implementing BCP (Business Continuity Plans) as a risk countermeasure. This underscores the necessity of such initiatives, which we will pursue in collaboration with both national and local governments.

Given these circumstances, our Association will further strengthen efforts to raise risk awareness among businesses, promote property and casualty insurance, and advance business continuity activities. We are committed to contributing to the swift recovery and revitalization of regional economies.

For consumer-facing initiatives, the Association conducted its first-ever survey targeting fire insurance policyholders to assess awareness of flood risks and flood coverage. Among flood risk countermeasures, “checking hazard maps”, “preparing emergency supplies”, and “confirming evacuation destinations” ranked highly, while “adding flood coverage” ranked low at seventh place. Furthermore, awareness of insurance products covering flood damage stood at 50.1%, reaffirming the importance of renewed efforts to promote flood damage coverage. According to statistics from the General Insurance Rating Organization of Japan, the attachment rate for flood damage coverage is only 61.8%, significantly lower than the 70.4% attachment rate for earthquake insurance.

Given this situation, to further enhance awareness of flood risks and flood coverage, we will promote greater use of “Sonpo (General Insurance) Digital My Timeline” and encourage viewing of flood risk awareness videos.

2.2.4 Addressing various issues

a. Follow-up on the “Guidelines for Dialogue and Consultations on Automobile Repair Unit Labor Costs”

We conducted follow-ups with member companies regarding the “Guidelines for Dialogue and Consultations on Automobile Repair Unit Labor Costs” published in March. We confirmed steady progress in disseminating the guidelines, establishing the required systems, and verifying operational status at sites. Efforts are also underway to develop regulations for dialogue and consultations with vehicle body repairers, prepare explanatory materials for field staff, and establish schemes for headquarters to monitor consultation status at sites. However, we also recognize the need to further build trust with vehicle repair businesses as an ongoing challenge. We will continue to encourage member companies to improve their systems, including requesting internal awareness initiatives and training on careful communication with vehicle repair businesses.

b. Lecture event: Approaches to Engaging with Victims in Traffic Accident Disputes

On October 17, we held a lecture entitled “Approaches to Engaging with Victims in Traffic Accident Disputes”. It was attended by approximately 400 participants, including lawyers involved in traffic accident disputes and employees of general insurance companies. In the first half of the lecture, we invited Mr. Ozawa, Representative Director, and Mr. Matsunaga, Deputy Representative Director, of the Kanto Traffic Crime Victims' Families Association, a general incorporated association. They spoke about the psychological trauma suffered by traffic accident victims, their families, and bereaved families, based on their own experiences. In the latter half, attorneys Akiko Mochizuki (Athena Law Office), Takashi Shibata (Shibata Takashi Law Office), and Toshi Aima (Kanma Law Office), all members of the Japan Federation of Bar Associations, were invited. They participated in a panel discussion, examining the considerations required of those involved in traffic accident disputes from both the perpetrator's and victim's perspectives.

c. Support for emerging markets

We participated in the ASEAN Insurance Council meeting held in Cambodia from November 25 to 28, where we introduced Japan's countermeasures against natural disasters among other topics.

In addition, the Insurance School (Non-Life) of Japan (ISJ) General Course was held from November to December this year, with 22 participants from 13 regions across East Asia. It was jointly organized by the General Insurance Institute of Japan and our Association. We plan to hold an Overseas Seminar in Vietnam next February.

Furthermore, as the East Asia Insurance Congress (EAIC) will be held in Tokyo next year, our Association is preparing for its operation as the secretariat.

3. Closing remarks

During my first six months as Chairman, member companies have worked together as one, focusing on initiatives to restore trust and on achieving the key objectives of the Medium-Term Master Plan. We will steadily advance these efforts so that they deliver tangible results and bring about visible changes in our industry. As we do so, we ask for your continued understanding and cooperation.

End

*English translation of the original statement issued in Japanese on December 18, 2025.