

GIAJ Chairman's Statement (English Translation)

General Insurance Association of Japan
Chairman Shinichiro Funabiki

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

1. Introduction

This winter, a series of disasters occurred due to record-breaking heavy snowfall, primarily along the Sea of Japan coast. We would like to offer our deepest condolences to the families of those who lost their lives and extend our heartfelt sympathy to all those affected. We would also like to express our profound respect for those engaged in rescue and recovery efforts in the affected areas.

Reflecting on the period since assuming the role of Association Chairman, I have witnessed firsthand how natural disasters caused by climate change—such as unprecedented torrential rains, violent storms, record-breaking heatwaves, and heavy snowfall, are becoming increasingly severe and frequent. While continuing to focus on initiatives that raise awareness of the importance of risk preparedness among consumers and businesses, and contributing to disaster prevention and mitigation, the general insurance industry will continue to strive to provide prompt and appropriate insurance claim payments to those affected.

Turning to the current economic environment, prolonged high prices and unstable exchange rates are impacting people's lives and business activities. Globally, multiple serious conflicts and geopolitical tensions persist, raising concerns about destabilization of the international order. In such an era of heightened uncertainty, it is essential that the general insurance industry infrastructure functions fully to support the resilience of society as the bearer of risk. To enable our industry to fulfill its fundamental role, we will work to restore the trust of our customers and society. We will address risks and social challenges directly and advance initiatives to contribute to Japan's growth, including through the provision of insurance products and services that support economic growth.

2. Specific initiatives

2.1 Initiatives to restore the trust of customers and society

To restore the trust of our customers and society, we are prioritizing the “thorough implementation of customer-centric business operations” and the “realization of a sound competitive environment”. For the former, we are focusing on “initiatives to enhance the quality of insurance agency solicitation”, and for the latter, we are concentrating on “efforts to raise risk management awareness within companies” as the core of our activities.

2.1.1 Initiatives to improve the quality of insurance agency solicitation

The Agency Business Quality Evaluation System, an industry-wide mechanism designed to supplement the guidance provided by insurance companies to agencies, has advanced the development of its operational framework this fiscal year through trial implementation.

During this period, we solicited public feedback on “evaluation guidelines” and “self-inspection checklists” of agency business quality. Based on the opinions received, revisions were implemented. Furthermore, with agency cooperation, we have established inspection operational workflows through the trial follow-up inspections initiated last July.

In April this year, we will establish the “Agency Business Quality Evaluation Headquarters” within our association. Full-scale operation of the system will commence in fiscal year 2026.

Furthermore, we have newly established a system where inappropriate practices related to general insurance operations at general insurance companies and agencies can be reported. Based on the reports provided by consumers and agencies, inappropriate cases can be detected at an early stage and prevented.

Ahead of full implementation, agencies and general insurance companies are engaging in dialogue based on the results of self-inspection checklists and other findings. This will enable them to establish the necessary systems and effectively advance the improvement of sales quality across the entire industry.

2.1.2 Initiatives to enhance risk management awareness within companies

To date, our association has worked to enhance risk management awareness within companies, enabling them to select insurance products and services aligned with their risk management policies, thereby fostering a healthy competitive environment in the corporate insurance market. Furthermore, looking at corporate management today, the risk environment surrounding companies has diversified and become increasingly complex, encompassing natural disaster risks, geopolitical risks, cyber risks, pandemics, and more. For companies to achieve sustainable growth going forward, advancing their risk management capabilities has become unavoidable.

Given this environment, starting next fiscal year, our association will reorganize existing awareness initiatives, such as corporate seminars and information tools, into a Corporate Risk Management Advancement Support Program. As a new initiative, we aim to launch a Risk Management Talent Development Course, subject to final naming to cultivate professionals responsible for advancing corporate risk management. This program will focus on imparting fundamental knowledge and skills in risk management. It will be open not only to corporate

personnel, but also to our industry stakeholders such as sales representatives from general insurance companies and agencies. We are currently developing the program structure with the cooperation of academia and related organizations. Details regarding the curriculum and launch date will be announced once finalized.

Furthermore, the second meeting of the “Study Group on Promoting Corporate Risk Management”, jointly hosted by the Financial Services Agency and the Ministry of Economy, Trade and Industry, was held in February this year. We intend to undertake a public-private initiative to realize enhanced corporate risk management. This effort aims to support corporate value creation and growth investment, ultimately contributing to Japan's economic development.

2.1.3 Responses based on revised supervisory guidelines

Regarding public comments for the second round of revisions to the “Comprehensive Guidelines for Supervision of Insurance Companies” (hereinafter “Supervisory Guidelines”) launched last December, which targets areas such as “Ensuring Appropriate Comparative Recommendation Sales at Multi-Representative Agencies”, our association submitted its opinions in January this year. We will continue our efforts to establish a customer-centric sales structure aimed at realizing the best interests of customers.

Furthermore, the effective date of the amended Insurance Business Act enacted last May has been announced as June 1st of this year. Provisions such as “System Development for Specific Large-Scale Multi-Representative General Insurance Agencies”, “System Development at Insurance Companies, etc.”, and “Expanding the Scope of the Prohibition on the Provision of Special Benefits” are scheduled to take effect on that date. Each general insurance company must thoroughly understand the background and intent of these amendments and steadily advance initiatives to restore trust.

Our association also plans to continue formulating and revising guidelines and other documents, taking into account developments in Supervisory Guidelines and other regulations.

In addition, regarding the reporting channels established by each general insurance company to address the issue of excessive benefits to agencies, we will expand these channels starting this April to also accept reports from consumers and agents.

2.2 Initiatives related to the 10th Medium-Term Master Plan and priority goals

We are steadily advancing initiatives linked to the priority goals outlined in the 10th Medium-Term Master Plan.

2.2.1 Enhancing the resilience of society and insurance systems

On February 13th, we held the second “Insurance Fraud Prevention Seminar” of this fiscal year, aimed at strengthening member companies' ability to respond to fraudulent insurance claims. This session focused on “Handling Fraudulent Claims Involving Fictitious Accidents in Fire and Miscellaneous Casualty Insurance Fields”. It covered identifying fictitious accidents, approaches

during damage investigations, and key verification points using case studies, making it a valuable seminar for claim adjusters.

Additionally, this month, we released the results of our annual survey on the actual state of automobile theft incidents. The number of vehicle thefts reached its highest level in the last five years, and annual insurance claim payments also increased by approximately JPY1 billion from the previous year to about JPY8.2 billion. Our association will continue to advance crime prevention measures in cooperation with the police and other relevant parties.

2.2.2 Promoting risk management awareness among consumers and businesses

For consumer-focused initiatives, we enhanced the “Sonpo (General Insurance) Digital My Timeline” tool, which forms part of our hazard map dissemination efforts and helps families plan disaster evacuation actions. The enhancement included the addition of useful information on building maintenance, as well as other improvements to increase overall convenience.

For business-oriented initiatives, we conducted interviews with corporate executives under the theme “Hearing from Executives: Business Risks and Countermeasures. Corporate Management to Overcome Adversity. Taking the Initiative with BCP x Insurance”. These interviews were distributed to business media outlets. Centered on the theme of BCP x Insurance, the content presents the real perspectives of business leaders. It highlights the increasing frequency of natural disasters and the diversification of risks, while also recognising the challenges faced by SMEs and the effectiveness of insurance in addressing these risks.

Looking ahead, our Association will continue to strengthen initiatives aimed at raising risk awareness among consumers and businesses, promoting general insurance, and advancing business continuity efforts.

2.2.3 Addressing various issues

a. Compulsory Automobile Liability Insurance public relations activities

We launched a public awareness campaign for Compulsory Automobile Liability Insurance on February 26th, featuring Ganbareruya (a comedian group) and original characters (the “Compulsory Auto Liability Insurance, Absolutely Necessary!”). The campaign uses the catchphrase: “Compulsory Auto Liability Insurance—Uninsured Will Face Penalties, Get It! Check It Out Now!” We will also utilize the Internet and digital content to appeal to consumers.

b. Support for emerging markets

The General Insurance Institute of Japan (GIJ) and our association jointly hosted the Insurance School (Non-Life) of Japan (ISJ) Overseas Seminar in Hanoi, Vietnam, this past February. Approximately 120 insurance professionals participated, including representatives from Vietnamese general insurance companies and insurance regulatory authorities. This year's program focused on the theme “The Role and Challenges for the General Insurance Industry in an Era of SDGs”, with lectures delivered by employees of GIAJ member companies. The

Financial Services Agency also dispatched a lecturer who gave a presentation on “ORSA (Own Risk and Solvency Assessment) for ERM (Enterprise Risk Management)”.

c. Publication of Issue No. 6 of the Non-life Insurance Education Journal “Sonpo Journal”

The “Sonpo (General Insurance) Journal” is an informational magazine providing useful information on non-life insurance education for high school civics and home economics teachers. The sixth issue was published in February. This issue contains a wealth of valuable information, including interviews with experts on financial and economic education and insights from teachers actively implementing these lessons in their classrooms.

d. Information management compliance seminar

To ensure proper information management at member companies and insurance agencies, we have begun streaming a seminar featuring Attorney Hiroyasu Kageshima of Ushijima & Partners, Attorneys-at-Law (Law Office). The seminar explains information management for multi-representative agencies, and the management of subcontractors by non-life insurance companies. Member companies will utilize this seminar to ensure the appropriate handling of customer and other confidential information within their organizations and at insurance agencies.

3. Closing remarks

Since assuming the role of Chairman, I have worked closely with our member companies, prioritizing the thorough implementation of customer-centric business operations and the realisation of a sound competitive environment, with the aim of restoring the trust of our customers and society as swiftly as possible.

We sincerely appreciate your continued understanding and cooperation. With the enforcement of the revised Insurance Business Act marking a turning point for structural reform, this year represents a significant milestone for the general insurance industry. Across the industry, executives and staff alike have reaffirmed the importance of our mission to contribute to the stability of people’s lives and the development of the national economy. We will continue to advance structural reform steadily and with determination, so that we may further fulfil our social role in the years ahead.

End

*English translation of the original statement issued in Japanese on March 19, 2026.