

GIAJ Chairman's Statement (English Translation)

General Insurance Association of Japan
Chairman Shinichiro Funabiki

As Chairman of the General Insurance Association of Japan, I would like to report on the main initiatives we have undertaken over the past year and share my reflections on them.

1. Introduction

Reflecting on the past year, violent storms and episodes of intense localized rainfall occurred frequently throughout the country. Even during the current fiscal year, a succession of large-scale earthquakes has occurred, all of which demonstrates that the threat of natural disasters shows no signs of abating and continues to imperil the daily lives of citizens. Against this backdrop, the general insurance industry remains committed to providing prompt and appropriate insurance claim payments to those affected, while continuing to focus on initiatives to further raise awareness of the importance of risk preparedness.

The environment surrounding our country is now at a historic turning point. In April, the closing price of the Nikkei Stock Average surpassed the 60,000-yen mark for the first time in history, signaling that the capital markets have entered a new phase. At the same time, rising energy prices driven by escalating tensions in the Middle East, supply chain disruptions, and persistently high prices continue to weigh on people's lives and corporate management. As societal uncertainty increases, the social mission of our industry—as the bearer of risk—has never been greater.

Reaffirming our mission to contribute to the stability of people's lives and the development of the national economy, we will continue to advance initiatives that support Japan's growth, including through the provision of products and services that help drive economic expansion.

2. Main initiatives

Over the past year, to restore the trust of our customers and society, we have focused on the “thorough implementation of customer-centric business operations” and the “realization of a sound competitive environment” as our highest priorities. We have also steadily progressed on the priority goals of the 10th Medium-Term Master Plan: “Developing business infrastructure to support growth of the general insurance industry”, “Strengthening the resilience of society and the insurance system”, and “Promoting understanding of risk management to consumers and

businesses”. In addition, we have taken various measures in preparation for the enforcement of the revised Insurance Business Act.

2.1 Initiatives to restore the trust of customers and society

With the “thorough implementation of customer-centric business operations” and the “realization of a sound competitive environment” as our top priorities, we have advanced our activities with the former centered on “initiatives to improve the quality of insurance agency solicitation” and the latter focused on “initiatives to enhance risk management awareness within companies”.

2.1.1 Initiatives to improve the quality of insurance agency solicitation

a. Full-scale operation of the Agency Business Quality Evaluation System

With respect to the “Agency Business Quality Evaluation System”—an industry-wide mechanism designed to complement the guidance provided to agencies by insurance companies—we have advanced the development of its operational framework. In April of this year, we also established the “Agency Business Quality Evaluation Headquarters” (hereinafter “Evaluation Headquarters”) within our association and began full-scale operations.

Furthermore, regarding agencies’ self-inspection on system development and other matters, which we have been working on since the last fiscal year, we launched this month, as planned, the “Common Platform for Agency Registration”, an industry-wide shared system used for exchanging self-inspection checklists, and commenced full-scale activities. Going forward, the Evaluation Headquarters will monitor the operational status of this system and conduct follow-up inspections.

By having agencies and general insurance companies engage in ongoing dialogue based on the results of self-inspection checklists and other findings, we will support the establishment of the necessary systems. Through these efforts, and by effectively advancing improvements in solicitation quality across the industry as a whole, we will continue to work diligently toward achieving higher-quality agency business operations and fulfilling our responsibilities to customers and society.

b. Restructuring the solicitation agent qualification system

We have revised the operational approach for the general insurance solicitation agent examination system. Regarding the General Examination for General Insurance Solicitors (Basic Unit), we changed the question format in July of last year from a “single answer” format to one that combines “single answer and multiple-choice questions”, which raises the difficulty of obtaining qualifications.

Additionally, following the launch in December 2025 of the examination for Compliance Officers and General Supervisors—positions required to be established at Specific Large-Scale Multi-Representative General Insurance Agencies— this month we also commenced operation of the Compliance Officer Qualification System.

2.1.2 Initiatives to enhance risk management awareness within companies

Our industry has worked to build an environment in which insurance companies break away from outdated industry practices and compete on the basis of the products and services that reflect the true value of insurance, with the aim of realizing a sound competitive environment in the corporate insurance market. In addition, we have sought to strengthen risk management awareness within companies so that they can select insurance products and services aligned with their own risk management policies.

As part of these efforts, our association hosted a risk management seminar in November of last year, with approximately 700 participants in attendance. Furthermore, we have reorganized our association's initiatives to advance risk management under the "Corporate Risk Management Advancement Support Program". Additionally, as a new initiative for the current fiscal year, we are preparing to launch (within this fiscal year) a "Risk Management Talent Development Course" (tentative name) to cultivate professionals responsible for advancing corporate risk management. Through these initiatives, we aim to develop talent equipped with risk management knowledge and skills, and to promote understanding of the importance of risk management and support its practical application.

In addition, the "Study Group on Promoting Corporate Risk Management", jointly hosted by the Financial Services Agency and the Ministry of Economy, Trade and Industry, held a total of three meetings, in which our association also participated. Through this public-private initiative, we aim to advance corporate risk management to support corporate value creation and growth investment, and ultimately contribute to Japan's economic development.

2.1.3 Responses based on revised supervisory guidelines

The revised Insurance Business Act, enacted last May, came into effect on June 1st of this year. It incorporates 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". Each general insurance company will once again reaffirm the background and intent of these amendments and steadily advance initiatives to restore trust.

In April of this year, we revised the "Compliance Guide for Solicitation" to reflect the revised Insurance Business Act, as well as the amendments to the "Insurance Business Act Enforcement Regulations" and the "Comprehensive Guidelines for Supervision of Insurance Companies", on which public comments were solicited in December of last year. These revisions include the addition of pages explaining forthcoming amendments to provisions on "System Development for Specific Large-Scale Multi-Representative General Insurance Agencies" and regulations on comparative recommendation sales.

Furthermore, to ensure the effectiveness of each trust-restoration initiative and to raise the standard of efforts across the industry as a whole, we conducted a fourth follow-up survey on guidelines and related matters among member companies in May of this year. This survey confirmed that member companies are steadily progressing in their respective initiatives. We will continue to advance efforts aimed at further enhancing effectiveness in restoring trust.

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

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

2.2.1 Developing the business foundation to support the growth of the general insurance industry

With the aim of improving convenience for customers and enhancing operational efficiency for member companies, we have advanced the development of a business foundation powered by digital technology.

In December of last year, we released “s-JIBAI”, a joint system enabling paperless processing of damage assessment and claim payment operations for Compulsory Automobile Liability Insurance (CALI). At the same time, we commenced operation of a new Guarantee Bond Confirmation System for the electronic submission of performance bonds for public works contracts and performance guarantee insurance policies.

2.2.2 Enhancing the resilience of society and insurance systems

Activities that help prevent fraudulent insurance claims and protect consumers remain a constant focus of our association's efforts. Following a survey conducted in June of last year, we conducted another “Survey on Consumer Awareness of Fraudulent Insurance Claims” targeting general consumers in February of this year, and published the results in May. In addition to gauging the current state of consumers' moral awareness regarding insurance claims, as in the previous survey, this survey also collected information on consumers' understanding of general insurance and the measures they expect insurance companies to take to prevent fraudulent claims. The results will be used in future deliberations on industry-wide initiatives. To prevent fraudulent insurance claims, we will engage in awareness-raising activities aimed at communicating more clearly and effectively. These include the use of awareness-raising posters produced with the endorsement of the National Police Agency, as well as digital advertising targeting younger generations.

Additionally, regarding the “Earthquake Damage Claim Support”, a web-based damage reporting system which we operate in anticipation of large-scale earthquakes, such as a Nankai Trough Earthquake or a Tokyo Inland Earthquake, one member company joined in September of last year, and another joined in April of this year, bringing the total number of participating companies to 13. Through this system, customers can submit damage reports and upload photographs via smartphone or computer, and general insurance companies can manage cases and create forms via the website, thereby enabling faster processing of earthquake insurance claim payments.

2.2.3 Promoting risk management awareness among consumers and businesses

The intensification and increasing frequency of natural disasters in Japan is becoming the norm, and the importance of helping consumers and businesses understand the significance of risk management is growing ever greater.

As a consumer-focused initiative, our association conducted its first survey on awareness of flood damage risks and flood damage coverage among fire insurance policyholders in October of last year, and published the results in December. To help realize a society resilient to disasters, we are using the survey findings to advance efforts to promote the adoption of flood damage coverage under fire insurance. In addition, we have added useful information on building maintenance to the “Sonpo (General Insurance) Digital My Timeline”, a tool for families to plan disaster evacuation actions, as part of our hazard map dissemination efforts. We have also made system improvements to enhance user convenience and have asked local governments nationwide to promote use of the tool.

Regarding earthquake insurance, we conducted public relations activities and participated in sessions at “Bosai Kokutai (National Conference for Promoting Disaster Risk Reduction) 2025” in September of last year, and also conducted risk awareness activities mainly by our association’s regional branches.

For business-oriented initiatives, we have advanced activities in cooperation with government agencies. These include promoting the use of general insurance among businesses, encouraging the formulation of business continuity plans (BCPs), and efforts to raise awareness of the importance of cyber risk management, as countermeasures against large-scale disasters and other events that could have a serious impact on regional economies. In March, we also conducted interviews with corporate executives on the theme of “BCP x Insurance” and distributed them through business media outlets.

Our association will continue to accelerate its initiatives to help build resilient regionally economies and contribute to regional revitalization and invigoration.

2.2.4 Addressing various issues

a. Compulsory Automobile Liability Insurance Investment Income Contribution Program

Since 1971, our association has utilized investment income from Compulsory Automobile Liability Insurance to provide support in areas such as automobile accident prevention measures and automobile accident victim support programs. For fiscal year 2026, we have approved support totaling JPY1,860.11 million for 56 projects, including 12 new ones like the donation of life-saving emergency medical equipment.

b. Support for emerging markets

As part of our insurance technology cooperation and exchange program for countries and regions in East Asia, the Insurance School (Non-life) of Japan (ISJ), which has been held since 1972, conducted its General Course in November and December of last year. The Advanced

Course for the current fiscal year is being held from May to June, welcoming 23 participants from 12 regions across East Asia.

Furthermore, our association and the Life Insurance Association of Japan will co-host the “31st East Asian Insurance Congress (EAIC) Tokyo Conference” in September of this year. The conference will feature keynote speeches and panel discussions on common challenges facing countries and regions in East Asia, including sustainability, financial regulation, aging societies, AI and digital transformation, natural disasters, healthcare, and human resource development. We are preparing to make this conference a meaningful international gathering.

c. Seminars for home economics, social studies, and civics teachers

Our association will co-host seminars with the Japan Institute of Life Insurance for junior high and high school home economics, social studies, and civics teachers in Osaka in July and Tokyo in August. These seminars will be endorsed by the Tokyo Metropolitan Board of Education, the Osaka Prefectural Board of Education, the National Home Economics Education Association, the National Civics and Social Studies Education Research Association, and the Japan Consumer Education Society. The seminars aim to deepen participants' knowledge and understanding of “life planning and risk management”, “social security systems”, and “private insurance”. The program will include keynote lectures by university faculty and classroom practice reports by home economics, social studies, and civics teachers, as well as small-group information exchange sessions. The seminars will be held in a hybrid format—both in-person and online via Zoom—enabling participation from anywhere in the country.

3. Closing remarks

Since assuming the role of GIAJ Chairman in June of last year, I have worked in unity with our member companies, with the “thorough implementation of customer-centric business operations” and the “realization of a sound competitive environment” as our highest priorities, striving to restore the trust of our customers and society.

This year, with the revised Insurance Business Act now in force, the general insurance industry is truly at a major turning point at which the very structure of the industry is changing. In an era of heightened uncertainty, it is essential that we respond swiftly to diverse environmental changes and that our industry functions fully as infrastructure that supports the resilience of society as a whole.

Reaffirming the role our industry plays in building a safe, secure, and sustainable society, we will continue to advance structural reform without pause, so that we may continue to fulfill our social role in the years ahead.

On behalf of the GIAJ, I would like to extend my sincere and heartfelt gratitude to everyone for your warm support and cooperation throughout this past year. We look forward to your continued understanding and cooperation with the general insurance industry and our association.

End

*English translation of the original statement issued in Japanese on June 11, 2026.