

## **GIAJ Chairman's Statement** (English Translation)

General Insurance Association of Japan  
Chairman Koji Ishikawa

Upon assuming the position of Chairman of the General Insurance Association of Japan, I would like to set out my beliefs and commitments as follows:

### **1. Introduction**

We would like to express our deepest condolences to the families of those who lost their lives in the recent earthquakes with epicenters off the coast of Iwate Prefecture and in Yamanashi Prefecture, as well as the typhoons that caused damage across various regions through the last weekend, and extend our heartfelt sympathies to all those affected.

To help those affected return to their peaceful daily lives as soon as possible, the general insurance industry will work together to make prompt and appropriate insurance claim payments.

We would like to once again offer our sincerest apologies for the damage caused to the trust of our customers and society as a whole by a series of incidents, including fraudulent insurance claims, premium adjustment cases, and information leaks, all of which have caused considerable concern and inconvenience to everyone involved, especially our customers.

Under the current 10th Medium-Term Master Plan (April 2024–March 2027), we are working as a united industry to fundamentally review longstanding industry practices and advance the "thorough implementation of customer-centric business operations" and the "realization of a sound competitive environment".

Furthermore, partial amendments to the Insurance Business Act and the "Comprehensive Guidelines for Supervision for Insurance Companies" (hereinafter "Supervisory Guidelines") came into effect on June 1st of this year. Our industry is committed to treating these changes not merely as a revision of rules, but as an irreversible transformation through which we will fundamentally reexamine our very way of doing business and reinvent ourselves as an industry that "truly pursues the best interests of our customers".

As the various systems and frameworks enter the implementation phase, we will devote our utmost efforts to enhancing their effectiveness and ensuring that all stakeholders can truly feel that our industry has changed.

### **2. Business environment**

The environment surrounding our industry is changing at an unprecedented pace, and uncertainty is increasing dramatically.

Domestically, the frequent occurrence and intensification of natural disasters have become the norm, and the impact of climate change is growing ever more serious. Moreover, Japan's economy has transitioned from prolonged deflation into a new phase in which inflation (rising prices) has become the norm. These developments represent structural challenges to the sustainable operation of the insurance system, making it an urgent necessity to take appropriate actions.

Looking at the international landscape, geopolitical risks stemming from inter-state rivalries and conflicts remain elevated, and risks such as supply chain disruptions and threats to energy security are further heightening uncertainty in the global economy.

In terms of technological progress, while the evolution of digital technology—such as the widespread integration of AI into social infrastructure—is remarkable, the growing sophistication and complexity of cyberattacks has brought the deepening of cyber risks into sharp focus as a new social challenge that threatens the very foundations of nations and corporations.

In this complex risk environment, I strongly recognize that general insurance companies are now at a juncture where our true value is being tested, not merely as providers of after-the-fact financial compensation, but as "indispensable social infrastructure" that underpins the resilience of society and the economy through supporting disaster prevention, disaster mitigation, and early recovery across society as a whole, and thereby contributing to a sustainable future and the well-being of people.

### **3. Policy direction**

With this clear awareness of the environment in which we operate in mind, our association will continue to treat "initiatives to restore the trust of our customers and society" as our foremost priority throughout fiscal year 2026, the final year of the 10th Medium-Term Master Plan.

In addition, during this final year of the current Medium-Term Master Plan, we will work diligently to ensure the reliable implementation of new systems and frameworks, and to embed them throughout the industry to achieve substantive improvement. In doing so, we aim to build an unshakeable foundation for the next Medium-Term Master Plan, while at the same time enhancing our value as social infrastructure.

### **4. Specific initiatives**

#### **4.1 Initiatives to restore the trust of customers and society**

##### **4.1.1 Improving the business quality of general insurance agencies**

With the goal of "thorough implementation of customer-centric business operations", insurance companies and general insurance agencies (hereinafter "agencies") will work together as one to enhance business quality.

### **a. Enhancing the effectiveness of the Agency Business Quality Evaluation System**

Starting in April of this year, we commenced full-scale operations of the Agency Business Quality Evaluation System, an industry-wide framework designed to complement the guidance provided by insurance companies to agencies, with the aim of thoroughly implementing customer-centric business operations.

Through this system, agencies will ensure strict compliance with laws, regulations, and other applicable standards, and maintain a high standard of business quality. The effectiveness of the Agency Business Quality Evaluation System will be enhanced through evaluation operations conducted by the Council on Agency Business Quality as an independent third-party body.

In fiscal year 2026, we will utilize the industry system (launched in June of this year) to efficiently and steadily advance the entire process—from agencies' self-inspections through to dialogue with insurance companies—with the aim of stabilizing operations. At the same time, our association will support insurance companies' guidance on improving agency business quality by providing analysis of self-inspection results, identifying areas for improvement, and sharing examples of good practice.

Through the active participation of the 31 companies utilizing this system, we aim to restore and enhance consumer trust by improving the business quality of agencies, and realizing an attractive agency system that can develop in a sound and sustainable manner.

### **b. Addressing appropriate conduct of comparative recommendation sales**

With the aim of realizing customer-centric business operations and ensuring opportunities for customers to make appropriate product selections, we will steadily advance the development of systems and rules related to insurance solicitation, in line with the revised provisions of Regulation for Enforcement of the Insurance Business Act and Supervisory Guidelines. We will publish a guide compiling practical guidance, to enable agencies to conduct appropriate comparative recommendation sales in a manner consistent with the intent of the applicable laws and regulations, while taking into account the best interests of customers. We will support agencies in developing systems that enable them to make proposals in line with customers' intentions in accordance with the spirit of the applicable laws and regulations.

### **c. Restructuring the Solicitation Agent Qualification System**

We will continue our efforts to improve business quality through restructuring the qualification system for general insurance agents.

In light of the requirement under the revised Insurance Business Act for Specific Large-Scale Multi-Representative General Insurance Agencies to establish Compliance Officers and other prescribed positions, we will encourage agencies to develop the necessary operational systems through, among other measures, operation of the Compliance Officer Qualification System.

In parallel, with a view to improving the solicitation quality of agencies, we will advance specific deliberations towards introduction in 2028 of a "Continuing Education System" for general insurance agents.

We will also advance specific deliberations toward upgrading and strengthening the rigor of the examinations, so as to further contribute to the improvement of agency business quality in pursuit of customer-centric business operations.

#### **4.1.2 Providing clear and accessible information to customers (Individuals and businesses)**

Towards realization of a sound competitive environment, we will develop systems that enable customers to proactively select appropriate insurance products, and strengthen the provision of information to help customers correctly understand the significance and value of insurance.

##### **a. Providing clear and accessible information to consumers**

Our association will strengthen its information-provision activities by offering consumer-oriented guides and other materials that clearly explain everyday risks and the basics of insurance, approaches to selecting insurance products, and the steps to be taken after an accident has occurred. Through these efforts, we aim to promote consumers' understanding of insurance and enhance their sense of confidence when selecting insurance products.

We will also work to improve individual risk literacy and cultivate a culture of disaster preparedness through initiatives such as widespread promotion of the "Sonpo (General Insurance) Digital My Timeline"—a tool for creating personal disaster evacuation action plans—and experiential disaster prevention events that contribute to enhancing community resilience. In October of this year, we will also participate in "Bosai Kokutai (National Conference for Promoting Disaster Risk Reduction) 2026", scheduled to be held in Tottori Prefecture, where we will work to raise risk awareness among consumers and promote earthquake insurance.

##### **b. Supporting advancement of risk management in business and fostering a sound insurance market**

For Japanese businesses to prevail in globally competitive markets, and make investments for medium-to-long-term growth and corporate value enhancement, the importance of "proactive risk management" is growing—that is, establishing a framework that integrates risk finance, risk control, and resilience, and strategically utilizing risk not merely as a "threat to be avoided" but as "an element that leads to future value creation".

In order to support companies in these efforts, our association will develop a "Corporate Risk Management Advancement Support Program" and aims to launch, within fiscal year 2026, a "Risk Management Talent Development Course" (tentative name) that will systematically provide foundational knowledge and skills in risk management.

Furthermore, our industry needs to move away from traditional Japan-specific business practices and shift toward global standards. With an eye to the anticipated changes in the role of corporate in-house agencies arising from the forthcoming review of the Specified Contract ratio regulations, we will develop a market environment in which companies compete on the basis of products and services that reflect the true value of insurance, thereby supporting the realization and advancement of a sound competitive environment in the corporate insurance market.

### **4.1.3 Strengthening measures against fraudulent insurance claims**

We will continue to strengthen our countermeasures against fraudulent insurance claims, which undermine the very foundation of the mutual aid principle upon which the insurance system works. In particular, as fraudulent schemes have in recent years grown increasingly sophisticated and evolved into organized, wide-area operations, we will implement more effective countermeasures.

#### **a. Strengthening consumer awareness-raising activities**

The "Survey on Consumer Awareness of Fraudulent Insurance Claims" published by our association in May of this year revealed that awareness of insurance fraud has yet to sufficiently permeate society. Most recently, cases have emerged in which individuals are unwittingly drawn into participating in insurance fraud through solicitation on social media for illegal part-time work or side jobs (for committing crimes) commonly known as "yami baito".

In response, we will further strengthen preventive efforts in collaboration with external bodies such as the National Police Agency, in addition to sharing information on various methods employed in fraud and countermeasures within the industry. We will also enhance awareness-raising activities targeting consumers, including younger generations, through video and other digital media. Furthermore, we will conduct focused warnings to prevent damage from malicious roadside services and unscrupulous businesses that take advantage of natural disasters, to ultimately foster a social climate in which fraud is neither "permitted" nor "tolerated" across society as a whole.

#### **b. Strengthening industry-wide countermeasures**

With regard to the "Fraudulent Claims Prevention Systems" operated by our association—which facilitates the exchange of information on insurance claim histories and fraudulent claims prevention—we will review its operational approach to promote more effective utilization, and strengthen coordination with the police, thereby enhancing the capacity to respond to organized crime and raising the level of defense. We will also advance the sharing within the industry of information on businesses that have engaged in fraudulent claims, and strengthen efforts to deter and exclude such fraudulent operators.

## **4.2 Initiatives related to the priority goals of the 10th Medium-Term Master Plan**

As we enter the final year of the 10th Medium-Term Master Plan, we will steadily advance our efforts on the three priority goals. In addition to improving convenience for customers and enhancing operational efficiency across the industry, we will advance initiatives related to addressing sustainability challenges such as climate change, rebuilding the earthquake insurance damage assessment system in preparation for a large-scale earthquake, and promoting and raising awareness of disaster prevention and mitigation and general insurance.

### **4.2.1 Developing business infrastructure to support growth of the general insurance industry**

We will advance the development of a business infrastructure utilizing digital technology, with the aim of improving convenience for customers and enhancing operational efficiency for member companies.

#### **a. Improving customer convenience in Compulsory Automobile Liability Insurance**

In Compulsory Automobile Liability Insurance (CALI), the adoption of "One-JIBAI"—a joint system released in January 2025—is progressing smoothly. This system enables non-face-to-face procedures, cashless payment of insurance premiums, and electronic issuance of CALI certificates. (The rate of non-face-to-face procedures for changes and cancellations has exceeded 40%). We will continue to promote broader utilization of this system in pursuit of further improvements in customer convenience.

In addition, "s-JIBAI"—a joint system that enables paperless processing of damage assessment and insurance claim payment operations for CALI—has, since its release in December 2025, steadily contributed to more sophisticated information management, enhanced business continuity, and a reduction in the risk of delays and losses associated with document transmission. Starting in October this year, insurance companies that have adopted this system are poised to increase the number of locations it will be available at from those that have been rolled out on a phased-in basis to a nationwide scale. We will work to build an efficient operational framework across the industry as a whole by maximizing its utilization.

#### **b. Enhancing management of outsourced service providers**

While digitalization of the business environment advances, addressing information security risks throughout the supply chain has become a critical challenge. In order to continue providing customers with safe and secure insurance services, in addition to the measures taken by each member company, our association will newly develop a "checklist (template)" that general insurance companies can utilize when outsourcing operations to external companies. By standardizing fundamental verification items that reflect the latest security trends on an industry-wide basis, we will build a system that takes customer information protection to a new level, while at the same time reducing the compliance burden on external companies that receive outsourced work, and improve operational efficiency.

### **4.2.2 Strengthening the resilience of society and the insurance system**

We will advance efforts to strengthen the system for appropriately and promptly paying insurance claims to customers who hold earthquake insurance, in preparation for large-scale earthquakes such as a Nankai Trough Earthquake or a Tokyo Inland Earthquake. Building on the deliberations conducted through the previous fiscal year, we will verify the effectiveness of the measures examined and advance development of a concrete, resilient, and sustainable earthquake insurance damage assessment system.

### **4.2.3 Promoting understanding of risk management among consumers and businesses**

Against the backdrop of climate change, there are growing concerns about the widening of the "protection gap"—the difference between the economic losses caused by natural disasters, which are becoming increasingly severe and frequent, and the compensation covered by insurance and mutual aid (cooperatives). In addressing this challenge, we recognize the importance of the industry's continued commitment to public awareness and educational activities, so that all people can correctly understand the risks they face and select appropriate measures that combine advanced preparedness with after-the-fact compensation.

Specifically, we will actively communicate to individual customers the importance of preparing for the imminent risk of large-scale earthquakes. This year marks the 60th anniversary of the establishment of the "Residential Earthquake Insurance System" in Japan, which supports the recovery of people's livelihoods. We will seize this milestone to once again broadly communicate the significance and role of this system, and to strengthen our awareness-raising activities so that customers can correctly understand their own risk of being directly affected by natural disasters—including increasingly severe floods and other events—and select appropriate coverage.

We will also promote financial and economic education and work to improve understanding of private insurance. An educational card game called "SonaSona", co-produced with the Japan Institute of Life Insurance under the "Comprehensive Partnership Agreement on Insurance Education" concluded among our association, the Life Insurance Association of Japan, and the Japan Institute of Life Insurance, was awarded the "Commissioner of the Consumer Affairs Agency Award" at the "Consumer Education Teaching Material and Resource Awards 2026" organized by the National Institute on Consumer Education, a public interest incorporated foundation. We will continue to promote the widespread use of "SonaSona" and advance general insurance literacy through seminars for junior high and senior high school educators, in accordance with this agreement.

For businesses, we will conduct a survey on risk awareness and risk management practices among small and medium-sized enterprises, and carry out public awareness activities in cooperation with the Independent Insurance Agents of Japan, Inc. and other organizations, with the aim of encouraging appropriate preparedness against the diverse and continually evolving range of business risks.

In the government sector, momentum is growing for strengthening disaster preparedness across society as a whole, including preparations for the establishment of a "Disaster Management Agency" in November 2026. Our association will leverage the knowledge and expertise of the general insurance industry regarding natural disaster risks to engage in deliberations on advancing "disaster prevention and mitigation" as a whole-of-society effort, and contribute to strengthening the resilience of local communities by raising risk awareness among both consumers and businesses and promoting the widespread adoption of general insurance, thereby working to narrow the protection gap.

### **4.3 Initiatives to contribute to the Asian region and advance international cooperation**

We will continue contributing to the safety and security of the Asian region by fulfilling the role of "infrastructure for infrastructure"—supporting economic development through general insurance by assisting in the development of insurance systems and human resource capacity in the Asian region. In the current fiscal year as well, we continue to implement insurance technology cooperation and exchange programs, including the General and Advanced Courses and Overseas Seminar of the Insurance School (Non-Life) of Japan (ISJ).

In September of this year, the "East Asian Insurance Congress" (EAIC)—an international conference bringing together both life and non-life insurance professionals from the East Asian region—will be held in Tokyo for the first time in 24 years. We will exercise leadership in the international community in order to contribute to the further promotion and development of international cooperation within the insurance sector.

## 5. Closing remarks

Fiscal year 2026, the final year of the 10th Medium-Term Master Plan, is an exceptionally important year in which we must consolidate the progress made to date in restoring trust, and lay the groundwork for the next Medium-Term Master Plan.

We firmly believe that realizing a safe, secure, and sustainable society, and thereby contributing to the stability of people's lives and development of the national economy—through general insurance as social infrastructure—is the enduring mission of the general insurance industry, regardless of any changes in the operating environment.

We are determined, together with all our member companies, to devote our full efforts to addressing the challenges before us throughout this year, so that all stakeholders may truly feel that the general insurance industry has changed and will continue to support society going forward. We sincerely ask for your understanding and continued support.

End

\*English translation of the original statement issued in Japanese on June 30, 2026.