

# GIAJ FACT BOOK (Major Activities)

## Contents:

■ Introduction	- P 8 -
■ The 2016 Kumamoto Earthquake	- P10 -
■ Activities of the General Insurance Association of Japan	
I. Promoting Awareness and Understanding of General Insurance	- P28 -
II. Response to Policyholder Consultations and Resolution of Complaints and Disputes	- P30 -
III. Improvement of Quality of General Insurance Business	- P34 -
IV. Establishing a General Insurance Business System	- P38 -
V. Prevention & Reduction of Accidents, Disasters and Crimes	- P45 -
VI. Training, Tests, and Authorization, etc. for General Insurance	- P58 -
■ Materials	- P64 -



### Notes:

The above pages correspond to the page of the Japanese edition.

The contents of this document are translated from the Japanese edition.

([http://www.sonpo.or.jp/archive/publish/sonpo/pdf/0003/no\\_2016/fact2016.pdf](http://www.sonpo.or.jp/archive/publish/sonpo/pdf/0003/no_2016/fact2016.pdf))



# **GIAJ FACT BOOK** **(Major Activities)**

## Overview of the 7<sup>th</sup> Mid-Term Business Plan

The GIAJ developed the 7<sup>th</sup> Mid-Term Business Plan (FY2015 - FY2017) and positioned the following “Priority Issues” to work on preferentially over the next three years and is promoting various measures to resolve them.

### Priority Issues

Contribution to “Building of Worry-Free and Safe Society” by responding to new changes in the environment

#### ● Measures taken in response to the super-aging society

- The GIAJ will promote measures that contribute to prevention and reduction of accidents involving the elderly such as proposing more effective preventive measures and implementing activities to promote awareness based on actual accidents involving the elderly and characteristics thereof.
- The GIAJ will implement measures such as developing new rules suitable for the super-aging society as well as reviewing guidelines with regard to insurance solicitation and claim payments.

#### ● Measures for globalization

- The GIAJ will closely monitor the trend of international insurance regulatory standards and other related international discussions to promote measures that contribute to the development of the market and business environment by expressing our opinions, while paying particular attention to discussions that may significantly affect Japanese domestic regulations. In addition, The GIAJ will facilitate measures to contribute to the further development of sound general insurance markets and our member companies' operations abroad, including support for the improvement of financial infrastructure in Asian countries and the resolution of trade issues.
- The GIAJ will summarize issues concerning ways of providing information to foreigners visiting Japan and how to develop a framework thereof and promote relevant measures.

#### ● Measures for emerging risks

- By researching and sorting out the impact of the practical applications of new technologies on the general insurance industry such as indemnity liability and victim compensation, the GIAJ will implement steps to improve the industry-wide business foundation.

Contribution to “Building a Worry-Free and Safe Society” by preventing or reducing natural disasters and insurance crime

#### ● Measures to fight natural disasters

- The GIAJ will undertake measures that contribute to disaster prevention and mitigation such as proposing more effective preventive measures, taking into consideration the actual situation of natural disasters and regional characteristics.
- The GIAJ will promote measures to maintain and improve the soundness of the general insurance industry by increasing the sophistication of risk management systems concerning natural disasters.
- The GIAJ will implement measures to facilitate the communication with consumers by sharing information of risks which surround them, such as implementing activities to promote consumer understanding and providing disaster prevention education in response to diversifying natural disasters.
- While promoting understanding of earthquake insurance and implementing measures to promote it, the GIAJ will develop a framework to ensure quick and proper claim payments in light of the issues that surfaced after the Great East Japan Earthquake.

#### ● Measures to fight insurance crime

- The GIAJ will undertake effective measures to prevent fraudulent claims such as enhancing our system infrastructure and promoting consumer understanding.

Contribution to “Building a Worry-Free and Safe Society” by developing an environment for consumers to use insurance

#### ● Measures for establishing new systems of insurance solicitation

- The GIAJ will undertake measures to maintain and improve the quality of insurance solicitation by taking action to respond to the duties introduced in the Revised Insurance Business Act, i.e. the duty of information provision, the duty of understanding intent, and the duty of development of the agent internal system. As for development of an agent internal system, the GIAJ will implement effective and efficient measures, including the establishment of systems and frameworks that support management of and guidance for agents.
- The GIAJ will promote measures to improve and stabilize the education of insurance solicitors such as by providing the General Examination for General Insurance Solicitors and the General Insurance College Course.

#### ● Measures for consumer consultations, complaints and dispute settlement

- The GIAJ will strengthen the functions of the General Insurance ADR Center while promoting measures that contribute to industry-wide efforts to improve the quality of operations.

#### ● Measures for consumer education

- The GIAJ will work on expansion of the base of general insurance business and the reduction of complaints by promoting its understanding and making proposals on how insurance regulations should work.
- The GIAJ will undertake effective measures to reduce accidents as well as social losses by promoting the understanding of safety in terms of traffic safety, disaster and crime prevention while providing education on safety that may be useful in making decisions on whether to take out insurance.

## Major Progress (As of August 31, 2016)

### Measures taken in response to the super-aging society

- Based on the accident and driving characteristics of elderly drivers, the GIAJ developed and distributed a tool for preventing and reducing accidents.
- The GIAJ organized lecture meetings to promote greater understanding of the risks, etc. surrounding elderly people.
- The GIAJ worked in collaboration with an outside research institution and formulated a plan for analyzing the characteristics of accidents involving elderly people and how elderly people tend to drive/walk. It also began initiating an analysis using data on accidents.



"Shittoku  
(beneficial tips)"  
Guidebook



Leaflet to call attention  
to accidents involving  
elderly drivers

### Measures for globalization

- The GIAJ reflects the comments of the Japanese general insurance industry in the international standards formulated by the International Association of Insurance Supervisors (IAIS) by exerting influence in international meetings, and responding to consultative documents, etc.
- The GIAJ contributes to the sound development of general insurance markets in Asian countries and regions through holding the International School (Non-Life) of Japan (ISJ), receiving research visits from overseas, and supporting the development of testing and educational testing systems for solicitors, etc.
- The GIAJ has created and launched a website that provides information in English, Chinese and Korean for foreigners living in Japan.



Website for foreigners living in  
Japan

### Measures for emerging risks

- The GIAJ established an experts research council, conducted research on how liability should be recognized in autonomous vehicle accidents and issued a report.

### Measures to fight natural disasters

- The GIAJ implemented educational measures that contribute to preventing/mitigating disasters for consumers in five districts of the country.
- The GIAJ designated 11 prefectures as primary regions with low insurance coverage rates and held a forum to emphasize the need to understand regional earthquake risks and secure earthquake insurance in each of the regions.
- The GIAJ examined ways to simplify claim settlements and provided tools, etc.

### Measures to fight insurance crime

- The GIAJ implemented activities to promote understanding on ways to prevent fraudulent claims and reinforced cooperation with the police and other relevant organizations.

### Measures for establishing new systems of insurance solicitation

- In response to the Revised Insurance Business Act which was enforced in May 2016, the GIAJ revised the solicitation compliance guide, etc. The GIAJ also created a self-inspection checklist for agents and solicitors.

### Measures for consumer consultations, complaints and dispute settlements

- The GIAJ implemented an annual training program at the General Insurance ADR Center. The GIAJ also developed a consultant evaluation system.

### Measures for consumer education

- The GIAJ dispatched lecturers to ongoing and one-time university courses and lecture sessions for high school students and general consumers, etc.
- The GIAJ had articles regarding the "Bosai Tanken-tai Map Contest by Elementary School Children" published in the NIE section (Newspaper in Education) of local newspapers, etc.

## Response to the 2016 Kumamoto Earthquake

On April 14 and 16, 2016, the Kumamoto Earthquakes, which were the series of quakes measuring 7 on the Japanese seismic intensity scale that hit the Kumamoto region in the island of Kyushu, destroyed numerous buildings and inflicted severe damage primarily in Kumamoto and Oita prefectures.

To ensure proper post-disaster responses, the general insurance industry established the Earthquake Insurance Local headquarters at the GIAJ Kyushu Branch in Fukuoka on April 15. However, further damage was caused by the subsequent main shock. Consequently, the GIAJ decided on April 18 to reinforce the disaster-response structure and establish the Earthquake Insurance Central Command (hereinafter, the “Central Command”) at its head office, the Earthquake Insurance Local Headquarters (hereinafter, the “Local Headquarters”) at the GIAJ Kyushu Branch in Fukuoka, and the local correspondence base in Kumamoto. In the history of GIAJ, this was only the second time for the Central Command to be established, the first being for the Great East Japan Earthquake in 2011. The general insurance industry made concerted efforts to provide prompt, proper claim payments and respond to policyholders who were affected by the disaster.

GIAJ member companies also set up central command centers at their head offices or elsewhere in Kyushu to make prompt, proper post-disaster responses. They dispatched support teams from other locations across the country to disaster sites to accept incident reports from policyholders, conduct damage investigations and handle insurance claims, etc.

As a result of such industry-wide efforts, approximately 98% (as of August 31) of received cases were settled within a period of about four months of the earthquakes hitting, and the general insurance industry was able to fulfill its mission of ensuring swift earthquake insurance claim payments and contributing to stabilizing the lives of people affected by the disaster.



Mr. H. Suzuki, Chairman of the GIAJ at the time, visited the earthquake-stricken site.

### 1. Operation of Central Command

The GIAJ formulated the basic policy of Central Command on April 20 and proceeded to take initiatives for providing prompt, accurate responses based on the policy.

The Central Command Secretariat Committee took the lead in discussing various responses and worked with the Local Headquarters and other local institutions to promote response measures, information gathering, and sharing of information among member companies.

(Decision made by the Central Command Committee on April 20, 2016)

#### Basic policy of the Central Command

1. The general insurance industry will make concerted efforts to achieve the purpose of earthquake insurance, which is to contribute to stabilizing the lives of people affected by the disaster.
2. General insurance industry members will work together and make great efforts to implement post-earthquake responses in order to make prompt, proper and fair payments of earthquake insurance claims to policyholders affected by the disaster.
3. As a way of offering a sense of security to policyholders and those affected by the disaster, the GIAJ will provide thoughtful and careful consultations.

### 2. Consumer inquiries and consultations

The General Insurance ADR Center responded to people seeking consultations regarding earthquake insurance. The General Insurance Contracts Inquiry Center for Natural Disasters also handled inquiries from people who had lost documents regarding insurance contracts with general insurers in the region (Kumamoto Prefecture) to which the Disaster Relief Act was applied.

Considering the convenience of the people affected by the disaster, in addition to weekdays the General Insurance ADR Center remained open on weekends and holidays from April 16 to June 12, while the General Insurance Contracts Inquiry Center for Natural Disasters also operated in the same manner from April 23 to June 12 and provided consultations.

(As of August 31, 2016)

#### Inquiries received by the General Insurance ADR Center

<input type="checkbox"/> Number of inquiries about insurance contracts :	362
<input type="checkbox"/> Number of consultations/complaints :	1,503
of which Consultations .....	1,258
of which Complaints .....	245



### 3. Insurance payments

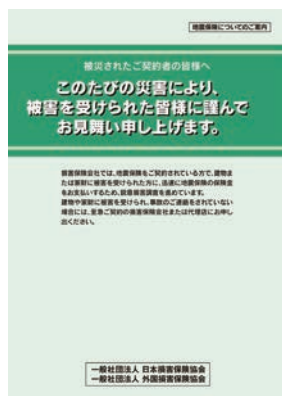
To ensure prompt payment of insurance claims, the GIAJ conducted damage investigations based on customers' self-reports (through written forms, without on-site investigations for cases that met certain criteria).

The GIAJ also took exceptional measures such as waiving the need for particular claim submission forms under certain conditions, e.g., when there was difficulty in preparing and submitting insurance claim documents, interfering with prompt payouts of insurance claims.

Furthermore, in areas where the damage was very severe, member companies individually contacted customers who had not made insurance claims and took the initiative by sending various documents to customers to recommend that they make earthquake insurance claims.

(As of August 31, 2016)

Insurance claim payments	(Cases)
Number of accident reports received	262,323
Number of investigations completed	257,890
Number of claim payments	232,606
Amount of claims paid	Approximately 357.3 billion yen



Brochure on earthquake insurance

### 4. Special measures

As a way of considering the policyholders affected by the earthquake disaster, the GIAJ introduced the following special measures for policyholders in regions (Kumamoto Prefecture) where the Disaster Relief Act was applied.

- The grace period up to a maximum of six months regarding the continuation of existing contracts and premium payments for motor and fire insurance

- With regard to automobiles for which the main location of usage was in areas where the effective period of automobile inspection certification was extended, the grace period up to a maximum of two months for the continuation of existing Compulsory Automobile Liability Insurance and up to a maximum of six months for premium payments

### 5. Offering relevant information

The GIAJ provided information to heighten people's awareness regarding consultation windows, various special measures and the claim process of earthquake insurance through media such as newspapers, radio and TV.

To actively publicize relevant information, the GIAJ also launched a website specifically for the Kumamoto Earthquake.

Furthermore, the GIAJ also visited major municipalities in the earthquake-stricken region on April 26 and 27 and upon receiving the understanding and cooperation of the local authorities: (i) posted a notice that provided information on consultation windows, etc. of general insurance companies in designated shelters and local government offices, and (ii) distributed a leaflet that provided information on earthquake insurance payments, various special measures, etc. at designated shelters, disaster certificate submission windows, etc.



Leaflet that provided information on earthquake insurance payments, various special measures, etc.

### 6. Other

The GIAJ made a disaster-relief contribution of 300 million yen to the Japanese Red Cross Society for supporting the people affected by the earthquakes.

## 1 Promoting Awareness and Understanding

In a bid to have consumers understand general insurance, the GIAJ provides a variety of information through the website of the GIAJ and by dispatching lecturers.

### Website specifically for consumers “The Truth of Sonpo (General Insurance)”

In order to help consumers understand general insurance correctly and pleasantly, the GIAJ has prepared a website for consumer use called “The Truth of Sonpo” from which consumers can study the mechanism and types of general insurance as well as precautions when concluding insurance contracts. In addition to contents from which consumers can study mechanisms and basic knowledge about general insurance in a systematic fashion, they can also check their own knowledge in a trivia section.

Furthermore, the “School Navigation” section, which introduces educational materials that can be used in schools is also available.



### Activities in dispatching lecturers

The GIAJ proactively holds various lecture meetings as opportunities to communicate directly with consumers.

The GIAJ has been carrying out such meetings for general consumers under the themes of “Types and Mechanisms of Familiar General Insurance,” “General Insurance in Preparation for Natural Disasters,” etc.

As for consumer consultants, the GIAJ holds study sessions using the “Sonpo Consulting Guide” which is a manual intended for consultants who respond to consultations regarding general insurance from general consumers.

The GIAJ is providing practical study courses for undergraduate students, such as consecutive courses (credits course) and one-time courses. The GIAJ offered consecutive courses at 15 universities.

For senior high school students, in addition to dispatching lecturers, the GIAJ has provided the supplementary material “Classwork Practical Program” through which a teacher can give instruction by his or her self.



Sonpo Consulting Guide

### Actual records of dispatching lecturers in 2015

For general consumers	: 140 times
For consumer consultants	: 41 times
For undergraduate students	: 323 times
For senior high school students (including PTAs and teachers)	: 90 times

Number of schools where the Classwork Practical Program was carried out : 238 schools

### The universities which have the continuous lectures in 2016

Hokkaido University, Tohoku University, Fukushima University, Saitama University, Sophia University, Hitotsubashi University, Kanazawa University, Nagoya University, Osaka University, Hiroshima University, Yamaguchi University, Kagawa University, Kyushu University, Nagasaki University, Ryukyu University

## 2 Hearing of Opinions, Dialogue, and Interaction

### Sonpo Forum for Consumer Reassurance (Round-table conferences with consumer administrative agencies, etc.)

The GIAJ holds round-table conferences with consumer administrative agencies, etc. around the nation to provide information regarding the measures and efforts of the industry and of each insurance company as well as to listen to opinions and requests regarding the general insurance industry to use them for business improvement.

### Round-table conferences with consumer organizations

The GIAJ has been carrying out exchanges of opinions and information with each consumer organization, etc. to which opinion leaders of consumers belong.

## 3 Promotional Activities for Earthquake Insurance

To promote the understanding of earthquake insurance and facilitate its dissemination, the GIAJ has been conducting activities every year since 1995 through various mass media including advertising on TV, in newspapers, on the radio, and via the Internet, etc.

In parallel with these activities, the GIAJ has GIAJ-related people appear on TV programs, Newspapers, Radios, Internets, etc.



Earthquake insurance  
advertising poster

## 4 Advertising Campaign on CALI

To promote understanding of the CALI (Compulsory Automobile Liability Insurance) system and prevent the failure to affect CALI, the GIAJ has been conducting its CALI Advertising Campaign through various means of mass media, etc. from 1966.



CALI advertising poster

## 5 Responses to News Media

In order to promote understanding about the general insurance industry, the GIAJ widely provides society in general with information regarding its business activities, requests/proposals, etc. through the news media.

### News Conferences

The Chair of the GIAJ hold regular news conferences at the Financial Press Club (five times a year).



The GIAJ Chairman's regular news conference

### Round-table Conferences with the News Media

The GIAJ holds round-table conferences with the news media at the Tokyo Head Office and in each region.

### Provision of Information

The GIAJ provides information on business activities of the general insurance industry, requests/proposals, etc. by means of news releases, etc.



## 6 Responses to Consultation, Complaints and Disputes

### Sonpo ADR Center (General Insurance Counseling and ADR Center)

Sonpo ADR Center, which serves as the customer support window, operates in 10 locations across the country. It responds to consultation about general insurance and carries out proceedings for complaint resolution and dispute resolution for problems between customers and insurance companies from a neutral and fair standpoint as a designated dispute resolution organization under the Insurance Business Law (such procedure is free of charge).

#### Responses to consultations

Providing explanations and advice according to individual needs, the Sonpo ADR Center responds to customers with inquiries and those seeking consultations.

In areas without a Sonpo ADR Center, the consultation staff from the Center visits once a month or so to offer onsite consultation (by reservation; free of charge).

#### Responses to complaints

When a complaint is made against an insurance company by a customer, the Center gives necessary advice based on the situation regarding the complaint.

#### Complaint resolution proceedings

In addition to its response to the complaint, the Center notifies the related insurance company of the content of the complaint, and based on the customer's demand, requests that it respond promptly thereto.

#### Efforts for early resolution of customer complaints

- The GIAJ gives advice to customers and insurance companies in an appropriate and timely manner.
- Utilizing a dedicated database, the GIAJ appropriately comprehends and manages the progress of complaint cases that it requested the related insurance company to resolve.
- In cases where complaints are not settled even after a certain period of time has elapsed and they are applicable for handling under the dispute resolution proceedings, the GIAJ introduces dispute resolution proceedings to customers.

#### Dispute resolution proceedings

When a petition for dispute resolution is filed by a customer or an insurance company, the Center appoints experts (dispute resolution specialists) who specialize in conducting dispute resolution proceedings, and provides support for resolving the issue (e.g. presents a settlement proposal) from a neutral and fair standpoint.\*

In order to ensure appropriateness of the procedures, the proceeding is closed to the public.

\* In cases where it is deemed that a dispute will not reach a settlement, etc. the proceedings may be terminated without a settlement proposal being presented.

In addition, in cases where a dispute resolution specialist deems it appropriate based on the nature, etc. of the dispute, the specialist can prepare a proposal for which the obligation to accept is imposed on the insurance company and present it to the insurance company with due reason.

- In addition to dispute cases between a policyholder or the insured and the insurance company with which an insurance contract has been affected, the GIAJ also covers dispute cases between a victim and an insurance company (or companies) on the side of the damage-causing party regarding legal compensation for damages (bodily and property damage liability) arising from automobile accidents.
- For dispute cases between a policyholder or the insured and the insurance company with which an insurance contract has been affected and where a hearing by dispute resolution specialists is conducted, the GIAJ provides an environment in which the customer can go through the process at the nearest Sonpo ADR Center using a video conference system. (Cases filed by the victim are excluded.)

#### What is ADR?

ADR is short for Alternative Dispute Resolution, and is a dispute resolution method based on an agreement between the parties, such as mediation, conciliation, or arbitration in place of a lawsuit. It is a means by which swift, simple, and flexible resolution can generally be achieved according to the nature of the issue, the circumstances of the respective parties, etc.

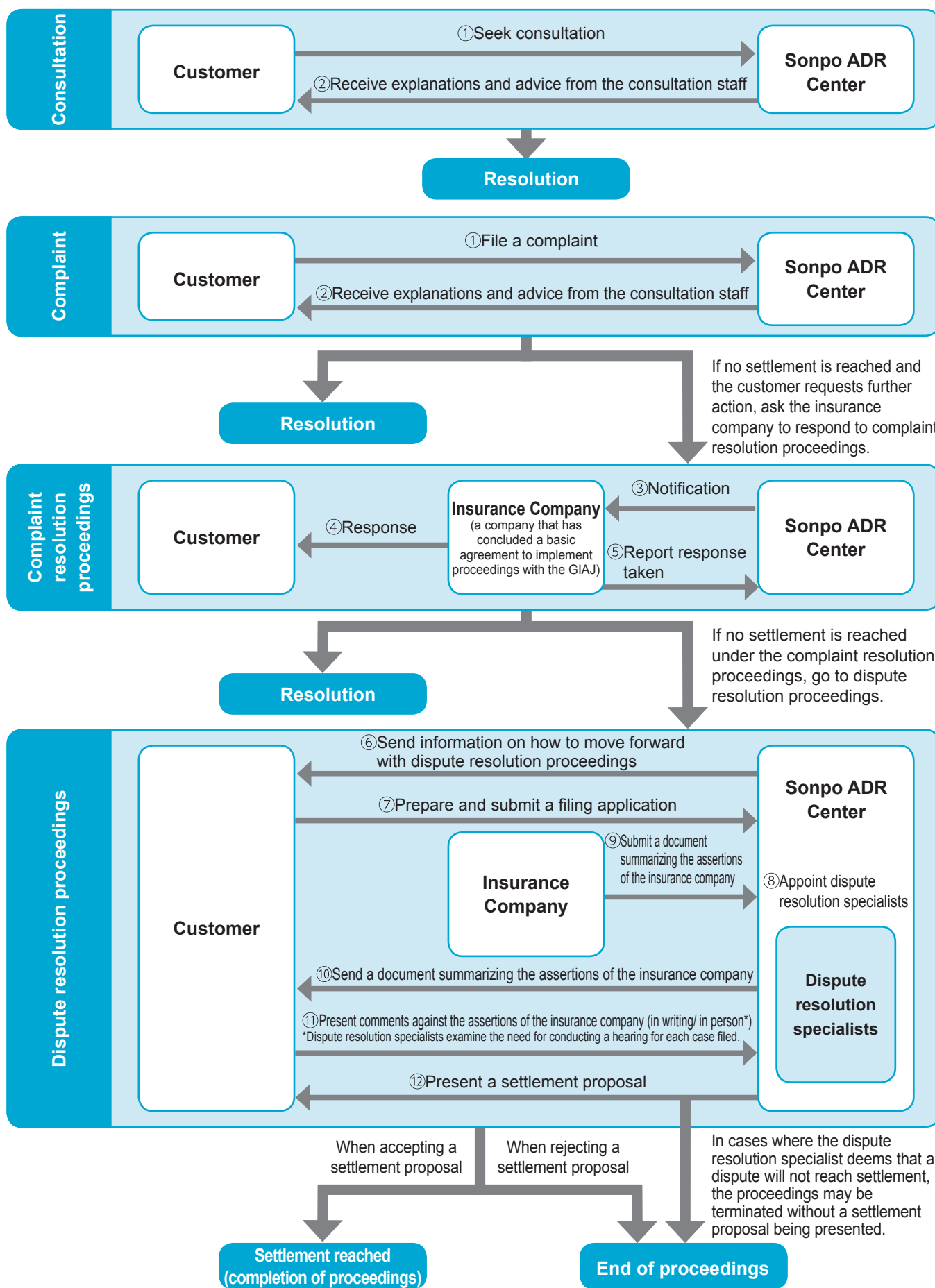
#### What is a designated dispute resolution organization?

It is an alternative dispute resolution organization in the financial field established based on the "Law concerning Partial Revision of the Financial Instruments and Exchange Law, etc." announced on June 24, 2009. In cases where certain requirements were met per business category, such as bank, insurance, securities business, etc., designation as a designated dispute resolution organization can be given by the competent minister.

Financial institutions conclude agreements (basic agreements for implementing proceedings) with designated dispute resolution organizations of the business category to which they belong per se, including contents such as (i) the obligation to accept resolution proceedings of complaints or disputes, (ii) the obligation to make explanations or submit materials, (iii) the obligation to accept the proposal for special conciliation presented. The effectiveness of complaints or dispute resolution proceedings carried out by a designated dispute resolution organization is thereby ensured.

In dispute resolution proceedings made by a designated dispute resolution organization, a legal effect that enables interruption of prescription and stay of proceedings by the court under certain conditions has been set.

Flow of the resolution process



Introduction  
The 2016 Kumamoto Earthquake

Activities of the General Insurance Association of Japan

I Promoting Awareness and Understanding of General Insurance

II Response to Policyholder Consultations and Resolution of Complaints and Disputes

III Improvement of Quality of General Insurance Business

IV Establishing a General Insurance Business System

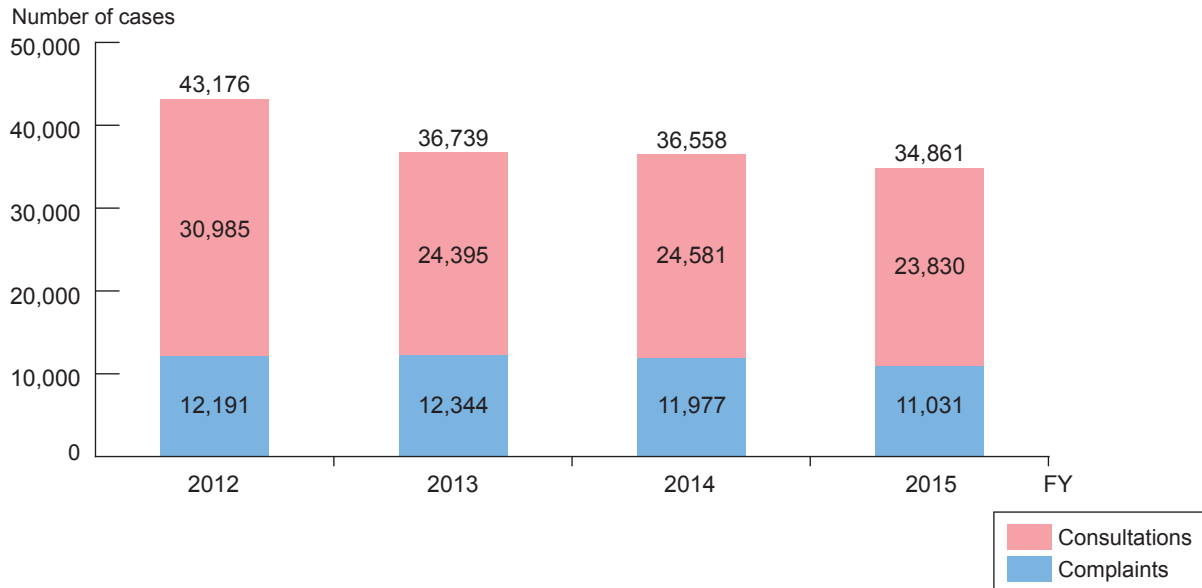
V Prevention & Reduction of Accidents, Disasters and Crimes

VI Training, Tests, and Authorization for General Insurance

Materials

## 6 Responses to Consultation, Complaints and Disputes

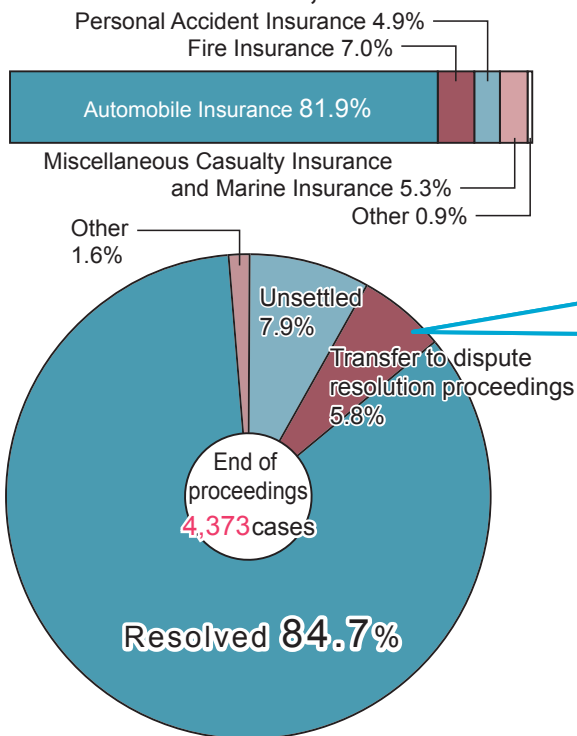
Changes in the Total Number of Consultations/Complaints Received by the GIAJ



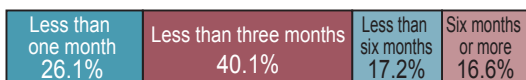
Note: The number of complaints includes the number of complaint resolution proceedings.

### Complaint Resolution Proceedings (FY2015)

Number of new cases: 4,620



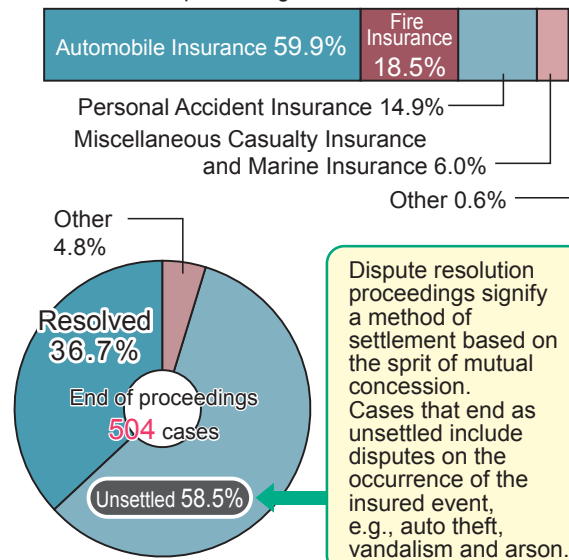
Period up to the end of proceedings (percentage by category)



### Dispute Resolution Proceedings (FY2015)

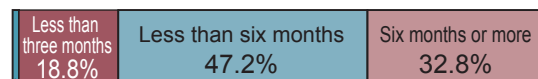
Number of new cases: 529

Note: Includes cases that did not go through complaint resolution proceedings.



Dispute resolution proceedings signify a method of settlement based on the spirit of mutual concession. Cases that end as unsettled include disputes on the occurrence of the insured event, e.g., auto theft, vandalism and arson.

Period up to the end of proceedings (percentage by category)



Less than one month 1.2%

## Measures to Further Enhance Complaint/Dispute Response Function

### Efforts to raise customer satisfaction

- The GIAJ continues to hold training to improve the capabilities of consultation specialists to handle cases.
- The GIAJ works to improve the convenience of customers who use dispute resolution proceedings by implementing questionnaires for users of all completed cases.

### Dissemination activities, collaboration with outside organizations, etc.

- The GIAJ promotes the Sonpo ADR Center by disseminating information using brochures, posters, and other means.
- The GIAJ promotes the use of the Sonpo ADR Center through collaborative efforts with consumer affairs organizations and other consulting institutions.

## Analysis and Use of Complaints/ Disputes Received

### Complaints feedback

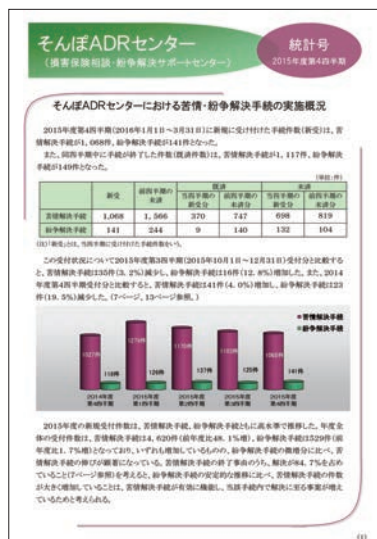
After making an analysis of the trend of complaints / disputes by insurance company, the GIAJ has been providing each insurance company with its feedback as useful information for business improvement thereof.

### Publication of “Sonpo ADR Center-Issue of Statistics”

The GIAJ makes public statistics and summaries of complaints and disputes brought into Sonpo ADR Center on its website’s “Sonpo ADR Center-Issue of Statistics” and also provides them to insurance companies.



Brochures



Sonpo ADR Center-Issue of Statistics

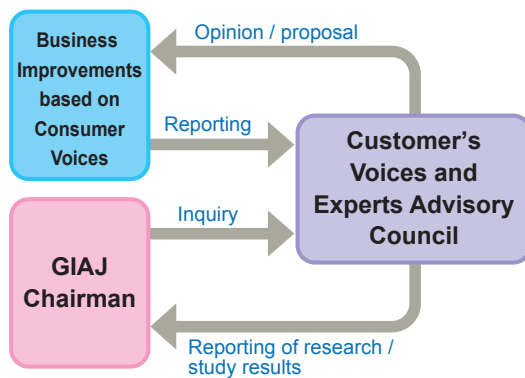


## 7 Utilization of Consumer Voices

### “Customer’s Voices and Experts Advisory Council”

In September 2006, the GIAJ established the Advisory Council to Listen to Consumer’s Voices as a mechanism to sincerely listen to and reflect the voices of consumers in the business operations of the overall industry, and has been holding discussions on specific issues and matters that the industry must handle in consideration of consumer voices gathered via various channels.

In July 2012, the Advisory Council was reorganized as the Customer’s Voices and Experts Advisory Council. In addition to the conventional efforts taken, the enhanced Council undertakes research and studies matters for improving the general insurance system and matters necessary for the sound development of general insurance based on inquiries raised by the Chairman.



#### Members of Customer's Voices and Experts Advisory Council

As of July 1, 2016

Keiko Kobue	: Attorney-at-Law
Hiroshi Suzaki	: Professor, Kyoto University Law School
Akira Takahashi	: Editorial Writer and Senior Feature Writer of Kyodo News
Mieko Tanno	: Former Executive Vice President, the National Consumer Affairs Center of Japan
Kazuo Miyamoto	: Former President, National Police Academy
Naohiro Yashiro	: Specially Appointed Professor, Showa Women's University, Faculty of Global Business, Department of Business Design



Customer's Voices and Experts Advisory Council

## 8 Compliance Program

### ▶ Checking of Activities

The GIAJ established the compliance committee to check the appropriateness of the activities of GIAJ committees and other activities as a trade association. It ensures compliance by listening to the opinions of external experts, such as the Fair Trade Commission and attorneys-at-law where appropriate.

#### Main content of checks performed

- Agreement to the establishment of subsidiary bodies (subcommittee, etc.) of a committee
- Checking of minutes of committee meetings
- Responding to consultations from each committee and secretariat, etc.

### ▶ Compliance Seminar

The GIAJ holds seminars for member companies whose lecturers are scholars, consumer representatives, administrative officers, etc. under timely themes.

#### Themes of seminars in the past

- Development of the Financial Monitoring Policy of the regulator and issues of the general insurance industry
- Insurance companies' compliance based on the recent legislative trends
- Compliance required for general insurance companies "With a focus on the new solicitation rules"
- Response to antisocial forces at insurance companies, and other themes



Compliance Seminar

### ▶ Exchanging Opinions on Effective Initiatives

In the aim of promoting industry-wide compliance, the GIAJ hosts opportunities to exchange opinions on examples of effective initiatives taken by member companies.

#### Themes of past opinion exchanges

- Compliance issues recognized by each member company and responses to the Compliance Program
- Efforts for promoting effective and efficient compliance
- Compliance education and training for agents and employees
- Efforts for prevention of doing business with antisocial groups, etc.

### ▶ Others

In addition to the above, the GIAJ is working on promoting compliance by preparing and reviewing various compliance guidelines, providing a variety of information on compliance as well as revisions to laws and regulations.

## 9 Guidelines, etc.

The GIAJ formulates various guidelines to contribute to the enhancement of the business quality of each member company. Based on these guidelines, each member company aims to develop easy-to-understand insurance products for customers, and is enhancing its business quality, in ways such as establishing an appropriate soliciting system, a system for payment of insurance claims, etc.

The guidelines which have been formulated so far are as follows:

### Guidelines concerning solicitation of insurance contracts and payment of insurance claims

#### Guidelines for the “third-sector-products” (products whose cause of payment of claims is sickness or nursing care)

These guidelines provide a set of consideration points specifically applicable to “third-sector-products” to ensure their appropriate solicitation and payment of claims.

#### Guidelines for solicitation of insurance from elderly customers

The guidelines provide viewpoints required when insurance companies offer services to the elderly such as responding in accordance with each customer’s ability to understand and judge as well as characteristics of products, to promote finely-tuned responses when selling insurance.

#### Guidelines for overlapping insurance coverage (double insurance)

Regarding overlapping insurance coverage against the insured’s needs, (duplication of coverage in part or whole by more than one policy) the guidelines provide a basic concept and a standard service plan to consolidate the systems to prevent such occurrences and produce complete resolutions.

#### Guidelines for insurance claims

The guidelines provide a well-organized set of points that require attention in respect of each insurance company’s claim payment system and payment of insurance claims from the viewpoint of ensuring that they are both timely and appropriate.

#### Guidelines on making medical certificate forms

The guidelines provide member companies with basic points and standard required items that need to be included on medical certificate forms.

#### Guidelines on the prevention of moral risks regarding personal accident insurance, etc.

With a view to effectively preventing moral risks (risk of fraudulent acquisition of insurance claims), the guidelines provide a well-organized set of points to be considered when concluding contracts of personal accident insurance, etc. and when an insured event occurred.

### Examples of efforts by member companies

- **Providing help when receiving an accident report**

When receiving accident reports, member companies provide customers with a document indicating insurance claims that may possibly be paid. Offering these written documents has enabled customers to ascertain insurance claims that may possibly be paid to them.

- **Development of a third party checking system (Establishment of the Adjudication Review Committee, etc.)**

Member companies periodically check cases that require medical and/or legal judgment with regard to payment of insurance claims by establishing a review committee whose members consist of external knowledgeable persons, such as doctors, lawyers, and consumer representatives.

## Guidelines relating to solicitation materials

### Guidelines for policy overview and warning information (Important Matters)

As regards the “policy overview” and the “warning information”, documents which contain important matters to be specially explained when conducting sales and solicitation of insurance products, these guidelines have been organized to provide items to be stated thereon and points to be considered to make them clearer and to create a standard example.

### Guidelines for description of solicitation materials, etc.

The guidelines provide well-organized sets of basic concepts and points to be considered for preparing solicitation tools and advertisements to have insurance products properly understood by customers.

## Examples of efforts by member companies

- **Preparation of easy-to-understand disclosure statement of important matters**

Each member company is making efforts to simplify and improve the ease of understanding of a “disclosure statement of important matters” used when explaining important matters to customers by utilizing tables and itemization, using simple expressions and limiting the number of words.

- **Preparation of easy-to-understand insurance policies, pamphlets, leaflets, etc.**

Each member company is making creative efforts to distribute easy-to-understand insurance policies, pamphlets, leaflets, etc. seen by customers, such as enlarging text and brochures, inserting illustrations and diagrams, improving layouts and color combinations, etc. Members also prepare tools, etc. to accurately communicate about disadvantageous information and misleading information to customers.

## Guidelines on policy conditions and insurance terms

### Guidelines on making policy wordings more consumer-friendly

The GIAJ has put together measures to remedy difficult-to-understand sentences and matters that are desirable in eliminating inconsistency in notation, etc., as guidance for member companies to prepare easy-to-understand policy conditions.

### Guidelines on technical terms used in policy conditions and solicitation materials

With the aim of having customers accurately understand the content of policy conditions, solicitation materials, etc., the Guidelines were put together by classifying the terms used in policy conditions, solicitation materials, etc. into “terms to basically be avoided,” “terms that require some explanation in use,” etc.

## Examples of efforts by member companies

- **Reduction in the number of products, consolidation of various endorsements (simplification of products), etc.**

Each member company is proceeding with a reduction in the number of products, consolidation of various endorsements (simplification of products), etc. by analyzing the needs of customers. Member companies are also adding explanations on technical terms and taking other initiatives to offer ease of understanding for customers.



## 10 Information Exchange System

General insurance companies (including foreign general insurance companies and the Non-life Policyholder Protection Corporation of Japan) and the Federation of Cooperatives, which operates cooperative insurance, are running a system to make shared use of personal information with regard to the details of contracts, circumstances of accidents, contents of requests for payment of insurance claims (benefits), etc.

### Automobile insurance contracts and accident check system

#### • Information exchange system on contracts to which additional premium rates for grades one to five are applied

This system is, in cases where a customer has applied to an insurance company to newly conclude an automobile insurance contract that was not effected with that company in the preceding year, to make a check among general insurance companies as to whether said insurance contract existed in the preceding year in order to succeed to and confirm its appropriate grade.

#### • No claim or claims checking system

This is a system, in cases where a customer has changed the general insurance company with which he or she has effected automobile insurance, to make a check among general insurance companies, etc. as to whether there were any insured events in the preceding year's insurance contract in order to succeed to or confirm its appropriate grade.

#### • Lump-sum provisional settlement system of voluntary automobile insurance/CALI

In cases where a general insurance company, etc. of voluntary automobile insurance pays an insurance claim in a lump sum, including an insurance claim under CALI that is insured with another general insurance company, this is a system to make a settlement of the insurance claim under CALI paid in advance after confirmation between the relevant general insurance companies.

#### • Automobile accidents information exchange system

In order to make an appropriate insurance claim payment in accidents causing physical damage or property damage under automobile insurance, this is a system to make a check of a reported accident among general insurance companies, etc. as to whether there was any report about the accident.

#### • Bodily injury claims, etc. information exchange system <sup>\*1</sup>

In order to make an appropriate insurance claim payment with the exclusion of fraudulent claims in insurances, etc. covering bodily injury, such as automobile insurance and personal accident insurance as well as insurance, etc., covering personal effects, this is a system to make a check of a reported accident among general insurance companies, etc. as to whether there was any report about the accident.

#### • Insurance contract ascertainment system concerning special rules for interruption

In cases where a customer interrupted his or her automobile insurance contract in connection with cancellation, transfer, return to a leasing company, or expiration of the automobile inspection certificate regarding his or her automobile or due to policyholder's traveling overseas, etc., this is a system to ascertain the content of the contract before interruption when applying the contract grade before interruption to the new contract after interruption.

#### • Insurance contract checking system concerning new contracts for customers who own multiple automobiles

To apply a given discount to an insurance contract for the second and onward automobile whose insurance is to be newly effected, this is a system to check with the general insurance company with which the first automobile's insurance is effected with regard to existence or nonexistence of an insurance contract of the first automobile, contract grade, etc.

#### • Insurance checking system concerning overlapping contracts

This is a system to check for any redundantly concluded insurance contract on one automobile with multiple general insurance companies and to ensure that an appropriate insurance contract has been concluded.

#### • Existing disability inquiry system

In order to determine the appropriate degree of damages when paying insurance claims under CALI and automobile insurance and to work out the appropriate amount of damage based on laws and regulations, this is a system to perform a check of the degree of the past residual disability of victims among general insurance companies, etc.

#### • System to prevent fraudulent claims, etc. <sup>\*2</sup>

This system is intended to make an appropriate payment of insurance claims by, if necessary, exchanging information among general insurance companies, etc. with regard to requests for payment of insurance claims and fraudulent claims, etc. regarding payment (fraudulent claims or cases suspected of fraud).

#### • System to report fraudulent insurance claims <sup>\*3</sup>

This system is intended to share the information about the reported fraudulent insurance claim and a reported fact that indicates the possibility of such a claim among general insurance companies.

#### • System to exchange insurance claim records <sup>\*4</sup>

Regarding insurance claims for the automobile insurance, CALI, personal accident insurance and personal belongings insurance, this system is to share and exchange the claimants' insurance claim record information in order to realize the idea of excluding the fraudulent claim, working out the appropriate amount of damage and assuring proper claim payment.

### Insurance contracts and accident check system on fire insurance, personal accident insurance, etc.

#### • Policy data registration system on personal accident insurance, etc.

In order to prevent the occurrence of insurance crimes, this is a system in which general insurance companies check for any overlapping insurance contracts by registering with the GIAJ the content of insurance contracts (personal accident insurance contract, etc.) that pay insurance claims on death/residual disability, hospitalization/outpatient insurance claims, etc.

#### • Bodily injury claims, etc. information exchange system

Same as \*1

#### • Overlapping insurance contracts/claims history inquiry system in fire and miscellaneous insurances

This is a system to check, in relation to accidents reported to a general insurance company, etc., whether there were any overlapping insurance contracts or reports about the claim among general insurance companies, etc., in order to exclude fraudulent claims in fire insurance, liability insurance and etc. and ensure appropriate insurance claim payments.

#### • System to prevent fraudulent claims, etc.

Same as \*2

#### • System to report fraudulent insurance claims

Same as \*3

#### • System to exchange insurance claim records

Same as \*4

## 11 Response to Legislation and Administration Issues

The GIAJ makes various responses to legislation of and revisions to laws relating to the general insurance business. Specifically, in the process of studying legislation of and revisions to laws, the GIAJ has expressed opinions at various governmental councils including the Financial System Council, etc., issued requests and recommendations, and addressed comments to the public from the viewpoint of realizing the sound development of the general insurance business. On top of that, it has provided a variety of information and has held explanatory meetings and lecture meetings.

For example, in the course of studying matters at the time of enactment to the Insurance Contract Law, the GIAJ has expressed its opinions several times from the viewpoint of better development of the basic rules relating to insurance contracts at the Insurance Contract Law Subcommittee of the Legislative Council of the Ministry of Justice and, besides this, held various explanatory meetings and compiled points to be considered, etc. for practical responses.

### Recent main legislative issues

- Study on revisions to various laws and regulations including the Insurance Business Law
- Financial System Council-related matters
  - Study on how insurance products and services should be provided, etc.
- Legislative Council-related matters
  - Study on the review of the Civil Code (Law of Obligations) (regulations on policy conditions, interim interest deduction, etc.)
- Study on consumer-related legislation
  - Study on the Consumer Contract Act (regulations on policy conditions, information provision obligations when entering into Consumer Contracts, etc.)
  - Study on the review of the Act against Unjustifiable Premiums and Misleading Representations (Introduction of administrative monetary penalty, etc.)
- Study on the usage of personal data
- Study on the review of insurance sales by banks, etc.
- Study on the establishment of the Financial ADR System



## 12 Requests and Recommendations

### Requests for Tax System Revisions

The general insurance industry has a social mission of paying insurance claims in a prompt, certain manner against the various risks society faces including natural disasters.

In order to achieve a safe, rich and comfortable society through the further dissemination of general insurance and the sound development of the general insurance business, the GIAJ requests revisions to the tax system every year.

As it is undergoing further globalization, in order to ensure fair, competitive terms for the general insurance business the GIAJ has addressed the following nine requests for tax system revisions for fiscal 2017, including “Matters to note in the revision of international tax rules”.

#### Tax System Revisions for 2017 - Priority Requests

1. **Matters to note in the revision of international tax rules** Proposal items appear in order of priority.
  - In light of the final report of the BEPS Project, pay adequate attention to the characteristics of the general insurance business when revising the international tax rules.
2. **Toward solving a problem in the consumption tax system for general insurance**
  - Conduct a study on formulating drastic measures to solve problems in the consumption tax system (“accumulation of tax”, “impediment to neutrality of tax”) for general insurance which will grow with the consumption tax hike.
3. **Enhancement of the catastrophe reserve system regarding fire insurance, etc.**
  - Raise the maximum tax deductible reserve to 40% from the current 30% (also raise the existing rate of the catastrophe reserve system accordingly).
4. **Taxation measures on defined contribution pensions**
  - Eliminate the special corporate tax on defined contribution pension (DC plan) reserves for both corporate DC plans and individual DC plans. (It was a good transitional measure until 2016.)
5. **Permanent tax-exempt measure for real-estate acquisition tax related to assets transferred from a bankrupt insurance company to a contracted bank**
  - Implement a permanent tax-exempt measure for real-estate acquisition tax related to the transfer of assets from a bankrupt insurance company to a contracted bank. (Tax-exempt as a transitional measure until 2016.)
6. **Enhancement of the tax relief system for earthquake insurance premiums**
  - Conduct a study on measures for enhancing the premium tax relief system to promote further penetration of earthquake insurance.
7. **Abolition of the withholding tax on dividends paid to companies under complete control**
  - Withholding tax on dividends paid to companies under complete control should be abolished.
8. **Elimination of double taxation on dividend income, etc.**
  - Discuss the exclusion of received dividends from profit from the viewpoint of the elimination of double taxation on dividend income.
9. **Continuation of the current taxation method of corporate enterprise tax on the general insurance business**
  - As to corporate enterprise tax on the general insurance business where taxation standards are based on business income (100% factor-based taxation), the current taxation method should be continued.

### Proposal for Regulatory Reform

The GIAJ has made requests in order to pursue free and efficient economic activities through reforms of regulations that either impede provision of high-quality services or that have become less significant over time and thus promote the stabilization and improvement of the lives of people.

The GIAJ summarized these requests and submitted them to the government (Cabinet Office) in October 2015.

The specific contents of the regulatory reform requests have been made public on the GIAJ’s website.

As to the following matters that the GIAJ requested through the efforts for regulatory reform requests, revisions to the related laws and regulations were made in and after April 2011.

- **Review of units of portfolio transfer**  
(Revision to the Insurance Business Law in March 2012)
- **Abolition of investment by asset ratio regulation for insurance companies**  
(Revision to the Ordinance for Enforcement of Insurance Business Law in April 2012)
- **Simplification of matters to be stated on applications for approval regarding concerted action**  
(Revision to the Ordinance for Enforcement of Insurance Business Law in April 2012)
- **Simplification of matters to be notified (change in address of the company's representative)**  
(Revision to the Ordinance for Enforcement of Insurance Business Law in April 2012)
- **Abolition of submission of extract copy of residence certificate of directors, etc. concerning applications for approval of major shareholders of small-amount and short-term insurance**  
(Revision to the Guideline for Supervision for Small-Amount and Short-Term Insurance Providers in February 2014)
- **Expansion of the scope of application of the special case concerning regulation on the scope of business of subsidiaries in overseas M&A**  
(Revision to the Insurance Business Law in May 2014)
- **Acknowledgment of transfer of defined contribution pension from the Smaller Enterprise Retirement Allowance Mutual Aid System**  
(Revision of the Small and Medium Sized Enterprise Retirement Allowance Cooperative Act in April 2016)
- **Expansion of membership eligibility to the defined contribution pension plan (category 3 insured persons, public servants)**  
(Revision of the Defined Contribution Pension Act in May 2016)
- **Relaxation of exclusion requirements for investment products for defined contribution pensions**  
(Revision of the Defined Contribution Pension Act in May 2016)

## ▶ Requesting Activities Through Public Comment

By submitting opinions and requests through public comment relating to measures and enactment of /revisions to laws and regulations of each Ministry and Agency, the GIAJ is working on the sound development of general insurance business and the realization of better laws and regulations.

Specifically, in addition to submitting opinions/requests regarding revisions, etc. to the Insurance Business Law to the FSA, opinions/requests concerning revisions to the Civil Code (related to receivables) to the Ministry of Justice, opinions/requests on consumer administration to the Consumer Affairs Agency, the GIAJ is addressing public comments to the Cabinet Office, Ministry of Land, Infrastructure and Transport, Ministry of Health, Labour and Welfare, Ministry of Education, Culture, Sports, Science and Technology, Ministry of Agriculture, Forestry and Fisheries, the Fair Trade Commission, etc. Also, in addition to the response to international public comments carried out by overseas insurance regulators and the International Accounting Standards Board (IASB), the GIAJ has also expressed its opinions by responding to opinion inquiry from international organizations, such as the International Association of Insurance Supervisors (IAIS), etc. (Refer to page 42.)

## ▶ Request items regarding Defined Contribution pension system (DC)

The defined contribution pension system is a pension system where pension benefits to be received in the future are determined according to the investment performance of contributions made, and has been introduced since October 2001 as a new option in addition to the traditional defined benefit pension which supplements public pension. To further develop the system, the GIAJ summarized the following eight items and submitted them to the Ministry of Health, Labour and Welfare in June 2016:

### Request items regarding defined contribution pension system

1. **Abolition of the special corporate tax**  
The GIAJ requests the abolition of the special corporate tax to be imposed on business operators' contributions, individual pension members' contributions, and their investment income from the perspective of promoting the development and penetration of a sound system to encourage people to secure income for their post-retirement years.
2. **Increase in age of loss of qualification for individual-type defined contribution plans**  
The GIAJ requests raising the age of loss qualification also for an individual-type defined contribution plan to 65 from the perspective of encouraging people to voluntarily secure income for their post-retirement years and of eliminating the sense of unfairness vis-à-vis the corporate-type plan. The GIAJ also requests that even when the age of loss qualification is raised, plan participants be allowed to receive a pension during the voluntary period between the ages 60 and 70.
3. **Flexible setup and increase in the ceiling on contribution amounts**  
In order to further enhance the convenience of the system, the GIAJ requests a flexible set up of the ceiling on the contribution amount, which enables the design of a retirement plan only with a defined contribution pension system by, for example, making it proportional to salary, etc. also in companies with a relatively high level of retirement allowance. In addition, the GIAJ proposes a further increase in the ceiling on the contribution amount with a view to encouraging workers to voluntarily secure income for their post-retirement years to complement the public pension system.
4. **Relaxation of mid-term withdrawal requirements**  
Considering the strong need to receive lump-sum benefits at the time of mid-term retirement, the GIAJ requests changes so that lump-sum benefits from a company-type pension plan can be received as retirement income, or that requirements for payment of lump-sum withdrawal refunds be relaxed further to enable mid-term withdrawal.
5. **Review of change of pensionable age accounting to total participation period**  
The GIAJ requests a review of the fact that the pensionable age changes depending on the total participation period from the perspective of complementing the public pension system and of encouraging plan participants to voluntarily secure income for their post-retirement years.
6. **Elimination of the ceiling on employer contributions in matching contributions**  
The GIAJ requests elimination of rules that make employer contributions the ceiling on the contribution amount in matching contributions for participants in a company-type pension plan, from the perspective of complementing the public pension system and encouraging plan participants to voluntarily secure income for their post-retirement years.
7. **Simplification of administrative procedures at the time of revising pension agreements**  
In order to reduce the burden on business operators, the GIAJ requests a simplifying of the administrative procedure to enable changes based on registration by the plan administrator (if not acceptable, changes based on the authority of the director of the regional Bureau of Health and Labour) in regard to changes to the pension agreement that are not caused by a business operator.
8. **Greater flexibility for issuers of Business Reports**  
The GIAJ requests changes to allow reporting by the plan administrator instead of the representative business operator and to not require the seal of the business operator for a Business Report, from the perspective of reducing the administrative burden on business operators.



## 13 International Business

Amid the growing globalization of the insurance business and the expanding international business activities of general insurance companies, the GIAJ is working to promote harmonization of international regulations and eliminate trade barriers by issuing requests and proposals and conducting relevant activities. Furthermore, the GIAJ is striving to increase the probability of having such requests met and proposals realized mainly through interaction with the insurance associations of various countries, pursuing technical cooperation of insurance, and dispatching information, and is also contributing to the sound development of overseas general insurance markets centering on Asia.

### Requests and Recommendations

The GIAJ is expressing requests and opinions of the Japanese insurance industry through attending various meetings of the International Association of Insurance Supervisors (IAIS), the Organization for Economic Cooperation and Development (OECD), etc. and responses to various opinion inquiries, and is also making a proactive response to international public comments. In addition, with regard to service trade liberalization talks of the World Trade Organization (WTO) and bilateral-level trade issues, etc. between Japan and the U.S., the GIAJ is making a proactive appeal toward the realization of requests of the Japanese general insurance industry in close cooperation with overseas insurance associations, etc.

### International Conferences

#### East Asian Insurance Congress (EAIC)

The East Asian Insurance Congress (EAIC), which was inaugurated in Tokyo in 1962, is the largest life and general insurance joint international conference in Asia and aims to “promote and develop international cooperation” in the Asian insurance markets. The number of participants in the Congress has been exceeding 1,000 every time and the themes taken up by the Congress have been increasing to include not only those specific to East Asia but also those based on global viewpoints. The GIAJ has been proactively participating in a wide array of activities from the formulation of programs for the Congress to dispatching speakers.

#### International Union of Marine Insurance (IUMI)

This is an international conference of marine insurance that was inaugurated in Berlin, Germany in 1874 and has the longest history of any. Its general meeting, in which marine insurance experts take part, is held every September to discuss modern issues, and the GIAJ sends representatives to the conference.

The general meeting for 2017 will be held in Tokyo from September 17.

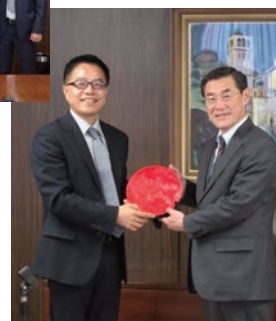
### Interaction with Overseas Insurance Associations

The GIAJ takes part in mutual visits and information exchanges regarding markets with the major insurance associations of Europe, the U.S., and Asia. Whilst it exchanges opinions and information about the current status and issues of insurance markets and various international problems including the formulation of international insurance supervision standards, it also responds to service trade liberalization talks, and makes efforts to strengthen cooperative relationships. In 2012, the Global Federation of Insurance Associations (GFIA) was established. Through the activities of GFIA, the GIAJ conducts information exchanges, issues joint letters and facilitates interaction between insurance associations. To contribute to the development of mutual insurance industries through human exchanges and exchanges of opinions and information, to date the GIAJ has concluded cooperation memoranda with the following 11 overseas insurance associations:

- (1) Federation Francaise des Societes d'Assurances (October 1997)
- (2) Association of British Insurers (April 2001)
- (3) Gesamtverband der Deutschen Versicherungswirtschaft (May 2001)
- (4) Insurance Association of China (May 2003)
- (5) American Insurance Association (June 2003)
- (6) General Insurance Association of Korea (November 2003)
- (7) General Insurance Council (India) (March 2007)
- (8) Insurance Association of Vietnam (September 2009)
- (9) General Insurance Association of Indonesia (January 2010)
- (10) Mongolian Insurers Association (December 2010)
- (11) General Insurance Association of Malaysia (January 2011)



Meeting with Insurance Association of Vietnam (Tokyo, April 2016)



Meeting with Insurance Association of China (Tokyo, April 2016)

## Technical Cooperation on Insurance

As a technical exchange program on insurance, the GIAJ has held the Insurance School (Non-Life) of Japan (ISJ) every year since 1972 with various areas within East Asia. Inviting general insurance company and insurance supervisory authority staff, both the ISJ General Course and Advanced Course offer lectures and workshops to participants from various regions. The ISJ also hosts an Overseas Seminar where lecturers are dispatched from Japan to give lectures on themes tailored to the needs of the various regions. In addition to this, the GIAJ is promoting technical cooperation on insurance for the insurance industries of various countries, primarily in Asia, through dispatching lecturers to OECD seminars and assisting the Financial Services Agency in capacity building.

### <Reference>

- Number of graduates of the General and Advanced Courses:  
1,951 (on an accumulated basis)
- Number of participants in the Overseas Seminars:  
4,704 (on an accumulated basis)



ISJ Overseas Seminar (Manila, September 2015)



ISJ Advanced Course (May 2016)

## Dispatch of Information

In addition to dispatching information via the Fact Book in English and an English-language website (<http://www.sonpo.or.jp/en/>), the GIAJ is making efforts to contribute to promoting a correct understanding of the Japanese general insurance market and the sound development of overseas insurance markets by contributing articles and providing a variety of information to overseas media, responses to overseas visitors and inquiries, etc.



(Left) Fact Book 2015-2016 in English  
(Right) GIAJ FACT BOOK (Major Activities)

## Global Federation of Insurance Associations: GFIA

The Global Federation of Insurance Associations (GFIA) is an institution that has juridical personality and was inaugurated through reorganization of the International Network of Insurance Associations (INIA) which is a gathering of each nation's insurance association, with a view to enhancing the industry's presence in issuance of opinions, strengthening of information exchange activities and discussions on international regulatory issues. Its inaugural meeting was held on October 2012 and has 41 members of insurance associations including GIAJ (as of June 2016).

## 14 Business Utilizing Investment Income of CALI

The GIAJ utilizes investment income arising from the CALI (Compulsory Automobile Liability Insurance) business of each general insurance company for measures to prevent automobile traffic accidents, to support automobile accident victims, and more. Since 1971, the GIAJ has been combining the investment income of each general insurance company for use in the business of supporting traffic accident victims.

### Business utilizing investment income of CALI

Each general insurance company is obligated to set aside full income (investment income) arising from accumulated funds for a period between premium income and payment of insurance claims based on the principle of no loss and no profit under the Automobile Liability Security Law. It is stipulated that this investment income shall be applied to improvement in the results of CALI going forward and shall be utilized for measures for prevention of automobile accidents, support to automobile accident victims, development of emergency medical systems, etc.

### Measures to prevent automobile accidents

- Donation of equipment for preventing traffic accidents such a bicycle riding simulator
- Support for efforts toward the eradication of drunk driving
- Support for efforts to prevent accidents caused by sudden illness while driving
- Support for research on causes of traffic accidents involving elderly people and measures to prevent such accidents



Bicycle riding simulator

### Support to automobile accident victims

- Business support of free legal counseling on traffic accidents
- Support to the aid business of the Foundation for Orphans from Automobile Accidents
- Financial support for holding rehabilitation seminars
- Provision of information to traffic accident victims and financial support for holding seminars
- Assisting the development of core human resources and promoting automobile accident victim life assistance education using the e-learning system



Rehabilitation seminar

### Development of the emergency medical system

- Donation of high-standard ambulance cars (Total 261)
- Financial support for the purchase of emergency medical equipment
- Financial support for the development of the Helicopter Emergency Medical Service System, etc.
- Financial support for holding a workshop for emergency injury care



High-standard ambulance car



Helicopter emergency medical service training session



Emergency injury first-aid training



## 15 Efforts to Eliminate Fraudulent Claims

### Cooperation with the National Police Agency and local police

The GIAJ exchanges information required for eliminating crimes of misuse of general insurance and provides cooperation to police in investigation by having established General Insurance Crime Prevention Councils composed of local police and each general insurance company across the country.

To make smooth responses to inquiries for police investigation, the GIAJ holds regular liaison meetings with the police and exchanges opinions regarding the prevention of insurance crimes.



An enlightenment poster prepared in collaboration with the National Police Agency

### Recognition of staff in charge of cases to prevent fraudulent insurance claims

The GIAJ newly established the “System to Recognize Staff in Charge of Cases to Prevent Fraudulent Insurance Claims” in March 2014 and held the first awards ceremony on March 17.

### Insurance crime prevention seminar

The GIAJ holds seminars by inviting lawyers, research companies and other specialists as lecturers in an aim to eliminate fraudulent, illegal claims.

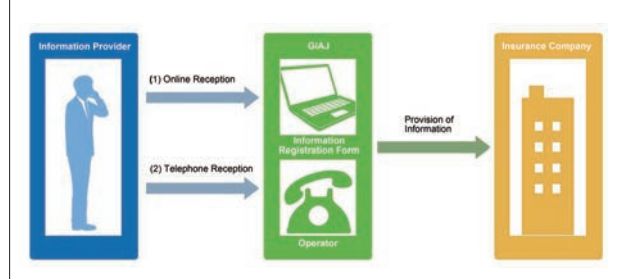


Insurance crime prevention seminar (in Aichi)

### Insurance Fraud Prevention Office

In January 2013, the “Insurance Fraud Prevention Office” was established and has used information which was received by the contact for reports (Insurance Fraud Hotline), to prevent insurance fraud.

Insurance Fraud Hotline  
0120-271-824



Insurance Fraud Hotline leaflet



## 16 Measures for Traffic Safety

### Educational Activities for Reducing Traffic Accidents

#### Intersections where traffic accidents often happen

An intersection is a place where traffic accidents can easily happen because many people and automobiles are concentrated in one place. Hence, with the view of having pedestrians understand the characteristics of risky intersections and points to remember for the purpose of reducing accidents at intersections, the GIAJ has made public the website National Map of Intersections where Traffic Accidents Often Happen, which is updated every autumn. The website posts the five worst intersections where many bodily injuries have occurred from among all 47 prefectures in Japan, and it has received high praise from public administration, the media and other parties.



National map of intersections where traffic accidents often happen



#### Prevention of bicycle accidents

The GIAJ prepared “Do You Know Bicycle Accidents?” which laid out the reality of bicycle accidents, how to ride a bicycle safely, and preparedness for an accident, as well as the “Bicycle Safety Class for Elementary School Pupils”, from which one can learn how to ride a bicycle so as not to have an accident, and which has brought public awareness about prevention of bicycle accidents.

“Do You Know Bicycle Accidents?” and “Bicycle Safety Class for Elementary School Pupils” are highly received by various circles of the society. Both brochures was awarded as an outstanding educational material for consumers by National Institute on Consumer Education\* in 2015 and 2016 respectively.

\* National Institute on Consumer Education (NICE) is a public interest incorporated foundation established in 1990 under the supervision by the Economic Planning Agency of Japan and the Ministry of Education. Its objective is to support comprehensive and effective promotion of consumer education by implementing studies, research, and projects related to consumer education.



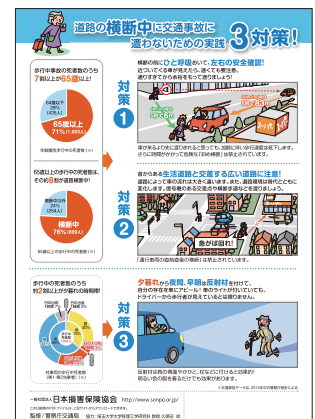
Do You Know Bicycle Accidents?



Bicycle Safety Class for Elementary School Pupils

### Traffic safety educational activities for elderly drivers

As traffic accidents involving elderly people are increasing, to prevent automobile accidents involving elderly people, the GIAJ prepared a flyer called “Recommendations on Traffic Safety for Elderly Drivers” and has been asking elderly drivers to drive safely.



Recommendations on Traffic Safety for Elderly Drivers

### Reality of traffic accidents seen from the data of automobile insurance

With a view to contributing to the measures for preventing and reducing traffic accidents, every year the GIAJ calculates the amount of economic losses and analyses time-series data of victims of traffic accidents, etc. based on claim payment data for automobile insurance and CALI. The results are open to public.

Such statistical data is posted for public use on the GIAJ website in the form of an Excel file and, as a result, is broadly utilized in various circles including traffic safety-related institutions, groups and researchers nationwide.

## Creating flyers to promote the use of seat belts in rear seats

The GIAJ explains the effectiveness of using seat belts and prepares leaflets\* to promote the use of seat belts in rear seats in order to improve the use rate.

The flyer aims to encourage the use of seat belts in all rear seats, in consideration of the fact that the rate of using seat belts in rear seats remains at the 30% level on general road even after it became mandatory in June 2008 and the ratio also continues to be considerably low compared to the use rate for front seats.

\*Available in PDF file format.



Leaflet to promote the use of seat belts in rear seats

## Assent to and Cooperation with Various Fairs

The GIAJ co-sponsors and cooperates in events, such as the Traffic Safety Campaign hosted by the state and local governments, etc. with the view of educating people about traffic safety, and actively introduces its efforts related to traffic safety.

## Efforts to Prevent Drunk Driving

### Preparation of a manual for preventing drunk driving

The GIAJ prepares “Manual for Preventing Drunk Driving” as guidance for use by business managers, safe driving control managers, etc. conduct employee training and other training to prevent drunk driving. A total of 938,000 manuals have been distributed since the initial launch of the Manual. (As of May 2016)

[Examples of the contents of the manual]

- Current situation of accidents caused by drunk driving
- Legal regulations on drunk driving
- Examples of accidents caused by drunk driving to which a charge of dangerous driving resulting in death and bodily injury was applied
- Effects caused by alcohol
- New perspectives in implementing preventive measures
- Case examples of measures to prevent drunk driving
- Groups, etc. addressing drinking (drunk driving) problems
- Coverage, etc. by automobile insurance against accidents caused by drunk driving



Manual for preventing drunk driving

### Participation in the Committee of the Tokyo Drunk Driving Prevention Campaign

The GIAJ has participated in the Tokyo Metropolitan Government's committee and provides information, participates in events, offers cooperation, etc.



## 17 Disaster & Crime-Prevention Measures

### Promotion of Education for Disaster Prevention

#### Implementation of an event of “Bosai Tanken-tai (Exploration for Disaster-Prevention)”

Bosai Tanken-Tai refers to a hands-on safety education program where children enjoy venturing through their local towns to identify facilities and equipment for disaster prevention, crime prevention, and traffic safety and organize their findings into a map. After preparing the map, they look back on the safety and security of the town through making presentations. These activities not only raise children’s awareness of disaster prevention but also lead to strengthening the community.

Bosai Tanken-Tai is also introduced on the Cabinet Office’s website Page of Peoples’ Movements to Reduce Disaster Damage.



**1 Exploring the town**  
Pupils check various facilities and equipment related to disaster prevention, crime prevention, and traffic safety.



**2 Creating a map**  
Pupils prepare an original map by using information and photos gathered.



**3 Presenting the results of the exploration**  
Group presentations are made as pupils look back on their activities and heighten their awareness of disaster prevention, crime prevention, and traffic safety.

#### <Holding of a Map Contest>

The GIAJ has held a map contest aiming at maps prepared by Bosai Tanken-tai. In the 12th contest conducted in 2015, we received 2,506 applications from 588 elementary schools and groups throughout the country. Among them, nine were selected for the top awards, eight for the jury’s special award and 100 for an honorable mention, and the awards ceremony was held in January 2016.



A piece that won the award in the 12th contest

#### <Provision of support tools for activities>

As support tools for activities of Bosai Tanken-tai, the GIAJ provides “Implementation Manuals” that offer clues and advice for carrying out the activities for leaders of elementary schools and groups. It also provides an “implementation kit” that summarizes stationery, etc. to be help in implementation.



Implementation manual



Implementation kit

#### Holding seminars to cultivate Bosai Tanken-tai (Exploration for Disaster-Prevention) leaders

The GIAJ holds seminars to cultivate Bosai Tanken-Tai (Exploration for Disaster-Prevention) leaders throughout the country with Universities and NPOs.

#### Dissemination of Disaster Prevention Duck

So that young children can learn the first steps of safety and security, the GIAJ has prepared a disaster prevention education card game called Disaster Prevention Duck, “Bosai Duck” which can teach poses to protect oneself from a disaster through play.



**Provision of e-learning content “Learn with a Motion Picture! Hazard Map”**

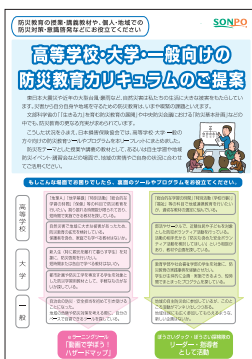
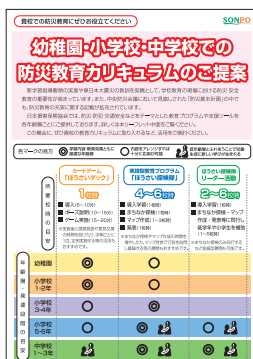
With a view to promoting utilization of hazard maps that were prepared by local governments and were provided to local residents and enhancing awareness of disaster prevention and disaster mitigation, the GIAJ has made public e-learning content called “Learn with a Motion Picture! Hazard Map” on its website.

This e-learning content includes content in which the method of utilizing a hazard map, etc., can be learned with a video clip and the learning content can be checked in the form of quiz. In addition to that, a resume for giving a lecture and a checklist for emergencies are also posted.



**Provision of curriculums for disaster prevention**

The GIAJ prepared “curriculums for disaster prevention” that also set out teaching plans for school teachers to use as guides for on-site education according to age bracket or learning stage of kindergarten children, pupils and students. The curriculums include programs such as “Bosai Duck”, “Bosai Tanken-tai” and “Seminars to Cultivate Bosai Tanken-tai Leaders” on the left. The GIAJ also prepared “Curriculums for Disaster Prevention” that summarize the details of the “e-learning content” and the “Seminars to Cultivate Bosai Tanken-tai Leaders” for high schools, universities and the public.



**Preparation of a fire safety slogan and posters**

With the aim of raising, disseminating, and educating people about fire-safety awareness in families, workplaces, and communities, as well as contributing to the social safety, the GIAJ has been soliciting fire-safety slogans as a co-host with the Fire and Disaster Management Agency of the Ministry of Internal Affairs and Communications. Prize-winning slogans received will be used for fire-safety posters (will be prepared under the auspices of the Fire and Disaster Management Agency) as “nationally uniform fire-safe slogans” to be put up in public offices, etc., including fire stations across the country. They will also be used for fire-safety awareness education or public relations around the country.



Fire safety poster

**Donation of fire engines**

To contribute to the strengthening of regional fire-fighting capabilities, the GIAJ has donated fire engines since 1952. It has so far donated 2,878 fire engines and 517 small-engine pumper trucks.



Minivan-type fire engine

**Promoting consumer awareness of natural disaster prevention & reduction**

Based on actual occurrences and regional characteristics, the GIAJ promotes consumer enlightenment activities that contribute to preventing and reducing natural disasters in each region of Japan.



With the aim of promoting awareness of the need to prevent and reduce damage caused by such disasters, the GIAJ cooperates with local governments, etc. and holds seminars and symposiums for local residents.

Efforts made in FY2015

Location	Outline of efforts	Number of participants
Kumamoto City	Lecture and symposium under the theme of volcanic disasters	60
Kochi City	Lecture session to share lessons learned from the Great East Japan Earthquake, and so on	Approximately 910
Hiroshima City	Lecture on local know-how to prevent disasters such as sediment disasters; map exercise on shelters	75
Kyoto City	“Bosai Tanken-tai (exploration for disaster prevention)” experience by “Kyoto Student FAST” and lecture on reinforcing local disaster prevention capabilities	70
Tokushima City	Disaster prevention lecture session under the theme of “District disaster prevention plan”	Approximately 100



## 17 Disaster & Crime-Prevention Measures

### Five-Year Memorial-Symposium of The Great East Japan Earthquake

On March 8, 2016, the GIAJ hosted a 5-year memorial-symposium on the Great East Japan Earthquake at Asahi Hall in Yurakucho with 545 participants, which was entitled, “Motto! Bosai (More Disaster Prevention) – Preventing and Reducing Damage Caused by Disasters based on Lessons Learned from the Great East Japan Earthquake”.

The symposium was held with the objective of having university students, who will lead our society in the future, look back on the disaster, recognize the risks associated with massive natural disasters, including an earthquake centered directly under Tokyo, which may possibly occur in the future, think about what actions to take in an emergency situation, and use the symposium as an opportunity to grow as leaders responsible for disaster prevention in local communities.

#### ● Greetings and lecture by the organizer

To start with, Hisahito Suzuki, Chairman of GIAJ at the time, offered greetings and gave a lecture in which he spoke about the post-earthquake responses taken by the general insurance industry, including the payout of earthquake insurance claims worth over 1 trillion yen within three months of the quakes occurrence to assist people affected by the disaster reconstruct their lives. He also stressed the importance of self-help and cooperation following the post-earthquake responses taken, and the importance of utilizing past experiences for the future.

The Chairman’s speech was followed by a video message from Yoichi Masuzoe, Governor of Tokyo at the time, in which he looked back on the Great East Japan Earthquake and made comments on the need to be properly aware of future natural disaster risks, the fear of such risks, how communities require the strength of younger generations in times of disaster, and how he hoped that university students would demonstrate leadership even in normal times to heighten the capabilities of local communities to prevent disasters.

#### ● Keynote speech: “Making the Best of Lessons Learned from the Great East Japan Earthquake – How to be Prepared for a Massive Natural Disaster (Earthquake Centered Directly Under Tokyo, etc.)”

Itsuki Nakabayashi, Professor (non-tenured), Meiji University Graduate School of Political Science and Economics, explained that one of the unexpected factors about the Great East Japan Earthquake was the fact that individuals and companies had not made adequate assumptions about how they could be affected by a disaster or the damage that a disaster could cause. He also gave an explanation on the expected damage to buildings and people and the expected state of damage to universities should an earthquake centered directly under Tokyo occur. He pointed out that a disaster can be overcome by demonstrating two powers: One is the power of imagination by which you assume you could be affected by a disaster and taking the self-help approach of carrying out measures against a disaster even under normal conditions, which helps to secure some room for comfort and leads to cooperation with others; and the other is the power to create measures against disasters that you imagine might occur.

#### ● Panel discussion: “Thinking about preventing and reducing damage caused by disasters and taking action”

Specialists on disaster prevention, university students and others served as panelists. They expressed their feelings and opinions on post-earthquake activities, saying things like, “Just by visiting the disaster-affected site and listening to the words of people affected by the disaster can bring smiles to such people; I feel the energy generated by young people is strong.” In regard to disaster prevention activities carried out in normal times, panelists emphasized that it is important for local residents to cherish their mutual ties, and that exploring their towns and making maps by Bosai Tanken-tai can serve as an effective disaster prevention training activity for children.

A message was given to university students in the audience: “Please disseminate what you have learned or know about disaster prevention in order to help others prepare for a disaster.” In closing the session, Shinichiro Shozawa, Managing Editor of the Tokyo Editorial Department at Kyodo News, who served as the coordinator of this event, concluded, “Since the strength of younger generations is required in times of a disaster, I would like to see as many young people as possible take part in disaster prevention activities while protecting themselves and being safe.”



### Crime Prevention-related Enlightenment Activities

#### Preparation of “A Guide to Protect Children from Crimes and Accidents”

With the aim of having adults and children think together about measures to avoid being involved in unforeseen accidents such as crimes, traffic accidents, etc. in the region, the GIAJ has prepared “A Guide to Protect Children from Crimes and Accidents.”



A Guide to Protect Children from Crimes and Accidents

## 18 Auto Theft Prevention Measures

### Efforts for October 7 (Theft Prevention Day)

Since 2003, the GIAJ has set October 7 as Theft Prevention Day and has been conducting activities across the country to enlighten people on the prevention of auto theft.



On-the-street activities on Theft Prevention Day  
(at Tokyo Station)

### Educational activities toward automobile users

To protect your automobiles against theft and break-in, the GIAJ is carrying out educational activities toward automobile users in tie-ups with the police, anti-crime groups, etc.



Signboards for prevention of auto theft



Paper fans educating people on theft prevention with the logo of a professional baseball team

### Participation in private-public joint team

The GIAJ takes part in a private-public joint team as a secretariat for the private sector to address the prevention of auto theft. The main efforts made by the private-public joint team are as follows:

#### Dissemination and promotion of immobilizers

Automobile models to which an immobilizer can be attached have increased from 37 models (as of December 2001) to 165 models (as of December 2014).

#### Antitheft measures for car navigation systems

In view of the fact that among the goods stolen in automobile break-ins, car navigation systems have a high percentage of getting stolen, the project team recommends that users adopt a car navigation system with a security code function (PIN code) as a way of preventing theft.

The team also suggests that users bring removable-type car navigation systems back home when not in use.

#### Measures to prevent illicit export of stolen automobiles

Customs is making efforts to detect stolen automobiles by requesting export declarers to submit a certificate of temporary registration cancellation for export, checking container cargoes by use of a large-size X-ray inspection apparatus, and taking other steps.

### Private-public joint project team on the prevention of auto theft, etc.

This is a team composed of 4 Ministries and 19 private-sector groups and was established in September 2001. GIAJ has been participating in this project team as a secretariat for the private sector.

## 19 Measures for Environmental Issues

### Action Plan on Environmental Conservation

The GIAJ has formulated an Action Plan on Environmental Conservation in the General Insurance Industry and is working on environmental issues.

#### Main items of the Action Plan

1. Efforts through the general insurance business
2. Dispatch of information outside the company
3. Global warming countermeasures
4. Establishment of a recycling-oriented economic society
5. Internal education and employee awareness
6. Building of an environmental management system and environmental audit
7. Collaboration with other corporations, organizations, etc.
8. Compliance with environment-related laws and regulations, etc.

### Targets On Environmental Issues

The “Plan for a Low-Carbon Society” and the “Voluntary Action Plan on Environment (the Formation of a Recycling-Oriented Society)” is formulated by Keidanren (Japan Business Federation) as a voluntary effort by each industry. Based on this plan, the GIAJ and its member companies are making efforts and setting goals of “reduction in CO<sub>2</sub> emissions” that are a significant cause of global warming and “waste reduction” toward forming a recycling-oriented society.

#### Goal for reduction in CO<sub>2</sub> emissions (efforts toward the plan for a Low-Carbon Society)

<Numerical Targets>

1. The reduction target in 2020 in the domestic corporate activities  
Electricity use per floor area should be reduced by 1% a year on average, meaning by 10.5% by 2020 compared with 2009.
2. The reduction target in 2030 in the domestic corporate activities  
Electricity use per floor area should be reduced by 1% a year average compared with 2009 to 2020, after 2021 to 2030 should be reduced by 0.5% a year average, meaning by 14.8% by 2030 compared with 2009.

<Other Targets>

3. Strengthening of tie-up between individual business entities
  - Actively develop and provide such products and services that encourage efforts for low-carbon society;
  - Reduce paper usage by computerizing insurance policies, wordings and clauses on the website, and by using tablet tools in insurance solicitations, etc.
4. Promotion of international contributions  
Promote measures, etc. that contribute to conservation of the global environment through insurance products and financial services in countries and regions abroad into which Japanese enterprises have made inroads.
5. Development of innovative technologies  
Carry out research and development on insurance products and financial services and broadly provide products, services, etc. in response to climate change risks.

#### Goal for waste reduction

(Efforts for the Voluntary Action Plan on Environment [Part of formation of recycling-oriented society])

<Efforts by each insurance company >

1. Each insurance company will establish its waste disposal management system, promote reduction in the amount of general business activities waste discharged from offices, ensure separate collection in cooperation with waste collectors, and make efforts to raise the recycling rate.
2. When purchasing office supplies, each insurance company should make efforts to raise the rate of utilization of environmentally conscious products.
3. When using OA papers, each insurance company should curb paper usage toward the reduction rate target, etc. set by each company, through proactively taking the approach of making photocopies on both sides of the paper and utilizing the 2-in-1 copying function.

<Approach to society through automobile insurance>

Each insurance company promotes utilization of recycled parts of automobiles.



## Promotion of “Eco-Safe Driving”

Since 2004, the GIAJ has been carrying out activities to spread and educate about “Eco-Safe Driving”, which is environmentally friendly and effective in safe-driving.

The General Insurance Industry promotes “3 Rules for Eco-Safe Driving” to realize both environment conservation through reduction of CO<sub>2</sub> emissions and traffic safety. “3 Rules for Eco-Safe Driving” was formulated based on 10 driving habits recommended by cross-sectoral organization promoting eco-driving (green driving).

In order to spread and promote Eco-Safe Driving, the GIAJ prepares leaflets and video clips (DVD) to illustrate the 3 rules for “Eco-Safe Driving”.



Eco-Safe Driving leaflet



Eco-Safe Driving video clip

### 3 Rules for Eco-Safe Driving

Good effects on both environment conservation and traffic safety will be achieved through the implementation of the following three points:

1. Press the accelerator softly (“e-start”)
2. Drive with less acceleration/deceleration and keep a safe distance between yourself and the automobile ahead
3. Take your foot off the accelerator at the earliest possible moment!

## Promotion of Utilization of Auto Recycled Parts

With the aim of fulfilling the social responsibility for environmental problems, such as effective utilization of limited resources, reduction in industrial waste or thereby curbing CO<sub>2</sub> emissions that cause global warming, the GIAJ is promoting utilization of recycled parts when repairing an automobile.

With the specific support of the Ministry of Economy, Trade and Industry, the Ministry of Land, Infrastructure, Transport and Tourism, and the Ministry of the Environment, the GIAJ holds campaigns to promote utilization of recycled auto parts jointly with automobile-related organizations, creates brochures and posters, and leads enlightenment activities across the country.



Flyer for promotion of utilization of recycled parts

## Efforts made by the GIAJ

Based on the Action Plan on Environmental Conservation in the General Insurance Industry, the GIAJ has built a mechanism for initiating environmental activities, and having created the Environmental Policy, it is making efforts to conserve the Earth's environment. Specific efforts include utilizing the Internal Information Network to promote going paperless and making double-sided photocopies, turning off lights in vacant offices, and efficiently using air-conditioning systems (setting the temperature at 28°C in summer and 20°C in winter).

Note: At the end of FY2015, the GIAJ returned its ISO14001 certificate, and has since FY2016 been continuing to take initiatives as the GIAJ.

## 20 Region-specific Efforts Made in Various Locations

GIAJ branches cooperate with relevant organizations in each region to implement the various efforts that contribute to preventing and reducing damage caused by the previously described accidents, disasters and crimes. Furthermore, branch-specific efforts are made according to the characteristics of each location.



## 21 Education and Examinations, etc. for Agents and Solicitors

It is mainly general insurance agents (hereinafter referred to as “agent” or “agents”) who serve as the window of contact with customers in providing explanations on general insurance products and carrying out procedures for concluding insurance contracts.

In order to promote further quality enhancement of insurance solicitation, the GIAJ adopts the testing system, etc. in soliciting agents.

### General Examination for General Insurance Solicitors

In order for solicitors to be able to provide easier-to-understand explanations that meet the needs of customers, the GIAJ has been conducting the “General Examination for General Insurance Solicitors” (hereafter “General Insurance Solicitor Examination”).

The General Insurance Solicitor Examination is comprised of the Basic Course Unit and the Product Course Unit (auto insurance, fire insurance and accident and sickness insurance), and applicants are required to pass the examination to be qualified for insurance solicitation.

This examination employs a renewal system every five years to verify updated knowledge about the insurance business and products.

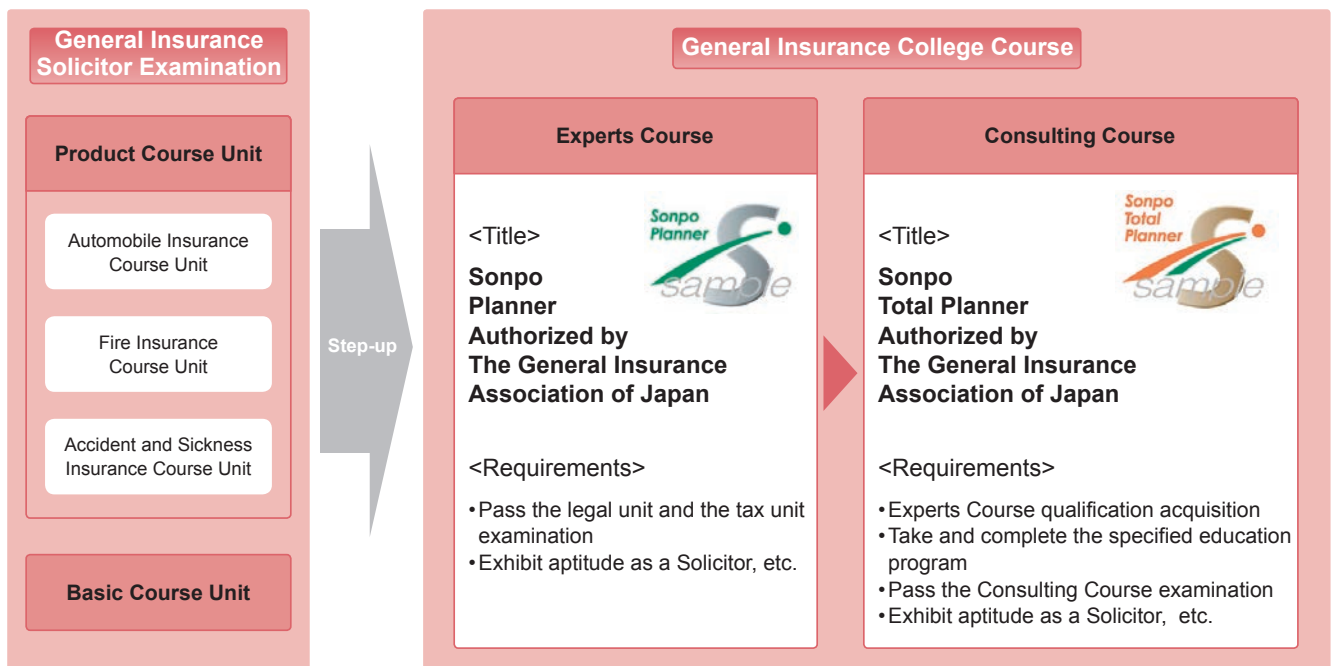
### General Insurance College Course

As a mechanism for solicitors who passed the General Insurance Solicitors Examination with the goal of stepping up further, the GIAJ provides the “General Insurance College Course”.

The General Insurance College Course is comprised of the Experts Course for acquiring deep expertise concerning insurance solicitation and the Consulting Course for acquiring practical knowledge as well as skills, and employs a five-year renewal system.

Based on the course authorized, the following titles and symbols can be used.

Currently, 62,302 General Insurance Planners and 11,165 General Insurance Total Planners are playing an active role (as of the end of August 2016).



\* The actual symbol issued does not contain the word "sample."

### To locate agents who hold “Sonpo Total Planner”, use the GIAJ’s searchable website



By inputting your Postcode (ZIP code) or Address in the ‘agent locator’ of the GIAJ website, you can easily find locally based agents who hold “Sonpo Total Planner”, the highest qualification of the consulting course. As of August 31, 2016, the website provides information on approximately 3,160 agents.

Search here:

<http://sonpo-totalplanner-ag.jp/>

Note: It may be accessed from the GIAJ website.

### Solicitor Qualification Information System

The GIAJ began operating the Solicitor Qualification Information System, which centrally manages qualification information, etc. of solicitors.

Using this system, solicitors can check the effective period, etc. of qualifications for the General Insurance Solicitor Examination, the General Insurance College Course and other programs, and manage the status of various examinations.

### Formulation of “The Compliance Guide for Solicitation”

The GIAJ has put in place The Compliance Guide for Solicitation as guidelines for member companies to provide guidance to solicitors.

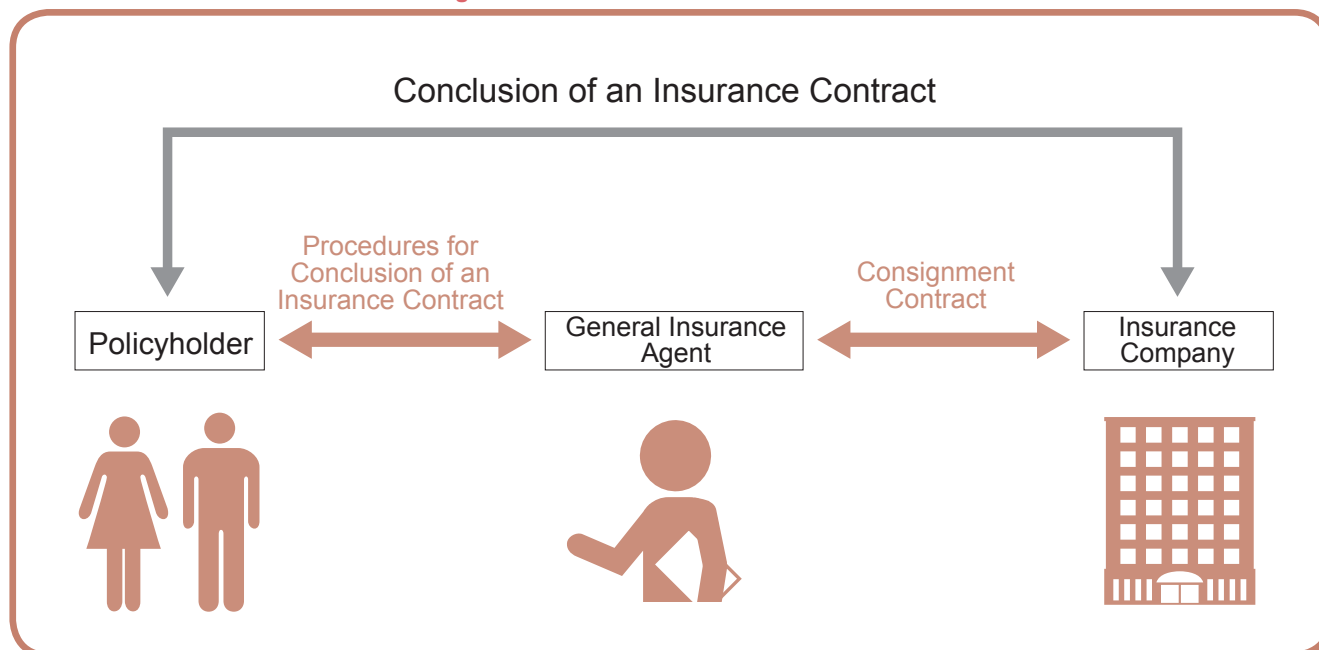
In this Guide, easy-to-understand explanation is given about points to be considered when soliciting insurance by systematically organizing matters concerning insurance solicitation provided for in the Insurance Business Law and showing standard examples of soliciting practice.

In January 2016, the GIAJ updated the Guide to reflect the Revised Insurance Business Act, which went into effect in May 2016, as well as information on the recent environment surrounding insurance solicitation.

### Examples of efforts by member companies

- Introduction of unique sales qualifications systems**  
 Member companies have introduced their own unique sales qualification systems, such as sales qualification specifically for selling third sector products (medical insurance, cancer insurance, etc.), etc.
- Implementation of customer questionnaires regarding solicitation**  
 Member companies have been implementing customer questionnaires regarding solicitors' explanations about products when they solicit general insurance. Member companies analyze and validate the responses received from customers and utilize the feedback to further enhance quality in insurance solicitation.

### For Reference: Role of an Insurance Agent



Authority to conclude insurance contracts as an agent of an insurance company under the agency agreement with the insurance company has been given to an insurance agent.

If a policyholder made an application for insurance to the insurance agent by using a given “insurance application form” and the insurance agent accepted it, this means that the insurance contract was effectively materialized between the policyholder and the insurance company.

\* Depending on some insurance companies or classes of insurance, the authority of agents may be just “brokering.” In this case, the insurance contract is to be materialized when the related insurance company agreed to accept the insurance contract at a later date.

## 22 Tests and Training Related to Claims Settlement

The greatest mission of general insurance is to pay appropriate insurance claims in a prompt manner should an accident occur.

Each general insurance company has put in place the following claims settlement system in order to realize appropriate, prompt, and fair payment of insurance claims:

### Bases for damage investigation and claims investigators

In order to respond promptly to accidents anywhere in the Japan, general insurance companies have established a total of 1,417 claim offices throughout the country and have allocated approximately 31,182 expert claims handling staff to those locations. (as of April 1, 2016)

With a view to enhancing the skills of claim investigators, each general insurance company conducts a variety of training including medical.

### Automobile insurance adjusters

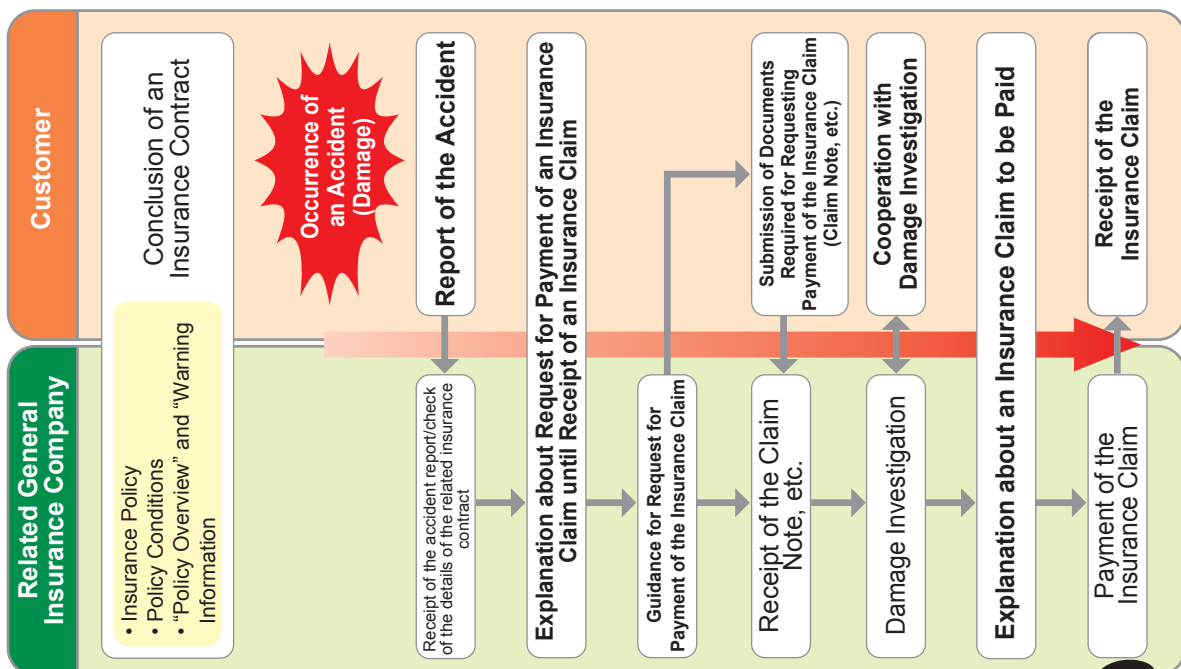
Adjusters are specialists who investigate amounts of loss or damage to automobiles, the cause and circumstances of accidents and other related matters. There are 8,306 adjusters registered with the GIAJ (as of July 1, 2016). Adjusters are making efforts to enhance their investigation skills through a variety of training.

### Registered property loss assessors of fire and miscellaneous insurance

Registered property loss assessors are specialists delegated by general insurance companies to assess the insured value of buildings and movable property, work out loss or damage amounts, and investigate the cause and circumstances of accidents, etc. There are 3,483 assessors registered with the GIAJ (as of July 1, 2016).

### For Reference: Flow from Reporting of an Accident until Receipt of an Insurance Claim

The following diagram is a general flow from reporting of an accident until receipt of an insurance claim. Should you request payment of an insurance claim due to an unexpected accident, please use this as a reference. If you have any questions, please make sure to consult your insurance company.



In the event of an accident, such as traffic accident, theft, fire, etc., you are requested to give aid to the injured and report the accident to a public agency, such as the police, fire department, etc. before making the report to the relevant general insurance company. When you request payment of an insurance claim, the related accident certificate may be required. (Particularly in the case of a bodily injury in a traffic accident, you are requested to notify thereof to a police station as a "bodily injury accident.")



## 23 Medical Education Institute for Insurance Adjusters

### Medical Education

#### Promoting proper medical expense payments and efforts to protect victims

Given the call for reinforcing training related to promoting proper payment of medical expenses addressed in the report issued by the Compulsory Automobile Liability Insurance Council in 1984, the Medical Education Institute for Insurance Adjusters was established in 1985. At the Medical Education Institute, medical training is given to employees, etc. of general insurance companies with a view to facilitating payment of medical expenses and to supporting victims achieve early rehabilitation into society.

#### Necessity of medical knowledge

With the aim of cultivating human resources who can understand doctors' explanations and can have basic communication with doctors, the GIAJ has been carrying out training to provide employees of general insurance companies, etc. who are engaged in claims service with opportunities to learn the best medical science and medical knowledge.

#### High-quality content of training

The GIAJ aims to improve the medical knowledge of general insurance company employees through correspondence courses, group training programs and medical seminars held in various cities by having doctors who are active at front-line clinical sites as main lecturers.



Group training in Tokyo



A training scene of a medical seminar

### Research Promotion regarding Traffic Accident Medical Treatment

#### Purpose of promotion

Utilizing investment income from CALI, the GIAJ provides research grants regarding traffic accident medical treatment. Aiding clinical study by individual doctors or groups aims at promoting the progress and development of traffic accident medical treatment, thereby attempting to contribute to having victims achieve early rehabilitation into society.

#### Selection of research grant recipients by way of accepting candidates from among the public

The GIAJ accepts candidates from among the public once a year and chooses research grant recipients after a rigorous selection process by a selection committee composed of people with relevant knowledge and experience.

#### Number of adoptions

The number of research grants implemented since 1994 has totaled 646 cases up to 2015. The results of research supported by these grants are expected to contribute to victims' early rehabilitation into society.

#### ● Examples of research themes

- Research on medical treatment for traffic accident victims using new computer assistance functions
- Basic research for clinical application of iPS cells in treating trauma patients
- Research on new rehabilitation methods for post-trauma patients involved in traffic accidents



At a research grant presentation ceremony



## Efforts to Protect Personal Information

In the aim of improving the credibility of general insurance industry for consumers, the GIAJ became an authorized personal information protection organization pursuant to the Act on the Protection of Personal Information effective April 1, 2005, and has been conducting operations to ensure appropriate handling of personal information by applicable general insurance companies, etc. based on the Guidelines for the Protection of Personal Information Concerning General Insurance Companies.

Refer to page 69.

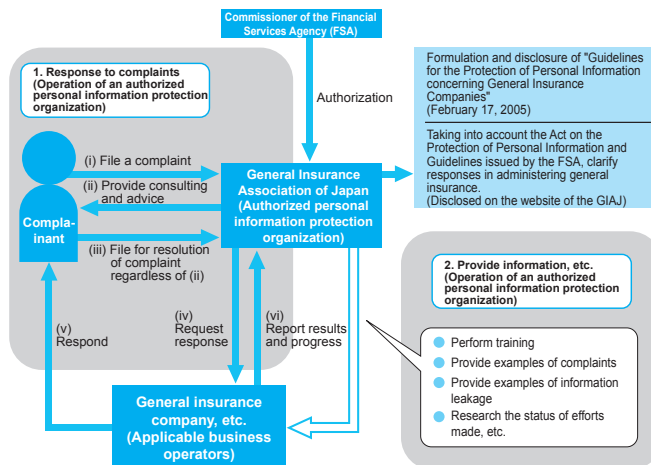
Materials and Data: Main laws concerning general insurance (Act on the Protection of Personal Information)

### What is an authorized personal information protection organization?

An authorized personal information protection organization is an entity authorized by the competent minister to be engaged in the following operations with the purpose of ensuring appropriate handling of personal information by applicable business operators in accordance with the Act on the Protection of Personal Information.

- Processing of complaints concerning handling of personal information by applicable business operators
  - Provision of information to applicable business operators, etc.
- Further, in order to ensure appropriate handling of personal information by applicable business operators, authorized personal information protection organizations are expected to prepare policies in line with the purport of provisions of the Act on the Protection of Personal Information, disclose the policies and make efforts to implement guidance, advice and measures necessary for having applicable business operators comply with the aforesaid policies.

### Overview of Operations Performed by The GIAJ as an Authorized Personal Information Protection Organization



## Policyholders Protection System

### Early Warning Measure

An early warning measure is a supervisory mechanism to encourage management improvement aimed at promoting the protection of policyholders where the supervisory authorities issue an order to implement required corrective measures to an insurance company depending on the status of the payment capacity of the insurance company.

The issuance of a prompt corrective action order is based on the solvency margin ratio and, in the case that the solvency margin ratio falls below 200%, the Commissioner of the Financial Services Agency calls for prompt corrective measures to be implemented in a timely, appropriate manner in order to quickly recover sound management.

Since an approach to tighten risk measurement has been taken as of the end of March 2012, it is possible that the ratio may fall lower than that for fiscal 2011. Yet as in the current system, an insurance company is recognized as maintaining "an appropriate level of capacity for the payment of insurance claims, etc." as long as its solvency margin ratio does not fall below 200%.

Effective the end of March 2012, the consolidated group-wide solvency margin ratio is disclosed for insurance companies with subsidiaries, etc., in addition to the solvency margin ratio on a non-consolidated basis that is conventionally disclosed.

$$\text{Solvency Margin Ratio (\%)} = \frac{\text{Total Amount of Solvency Margin including Capital and Reserves}}{\text{Total of Risks which exceeds usual estimates} \times 1/2} \times 100$$

### Key Contents of Early Warning Measures

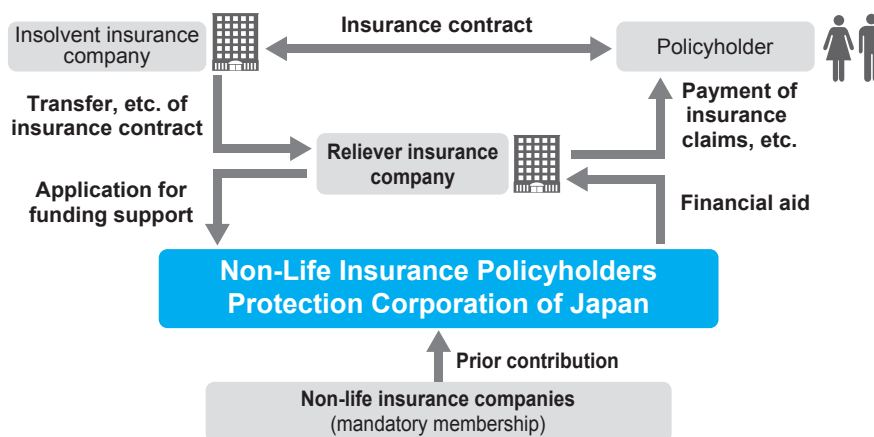
Category about the status of capacity for payment of insurance claims, etc.	Solvency margin ratio	Content of measures
Non-applicable category	200% and over	None
Category 1	100% to less than 200%	<ul style="list-style-type: none"> <li>● Submission and implementation of a business improvement plan to ensure sound management</li> </ul>
Category 2	0% to less than 100%	<ul style="list-style-type: none"> <li>● Submission and implementation of a plan to adequate solvency for payment of insurance claims</li> <li>● Prohibition or limitation of dividends and directors' bonuses</li> <li>● Curtailment of operations of sales offices and other offices</li> </ul>
Category 3	Less than 0%	<ul style="list-style-type: none"> <li>● Business suspension order (full or partial operations) for a specified period</li> </ul>



## Non-Life Insurance Policyholders Protection Corporation of Japan

In the event that a general insurance company becomes insolvent, the Non-Life Insurance Policy-holders Protection Corporation of Japan, which was established based on the Insurance Business Law, works to protect policyholders by offering support for the transfer of insurance contracts of the insolvent insurance company and funds to assist the payment of insurance claims with regard to contracts applicable for indemnification.

### Mechanism of Non-Life Insurance Policyholders Protection Corporation of Japan



(Note) In the that event no reliever insurance company appears, Non-Life Insurance Policy-holders Protection Corporation of Japan takes over the insurance contracts of the insolvent insurance company and works to maintain the contracts. (All contracts are applicable for the transfer.)

### Contracts Applicable for Indemnification from the Non-Life Insurance Policy-holders Protection Corporation of Japan

- In the case that the policyholder is an individual, small-size corporation <sup>\*1</sup> or management association of a condominium <sup>\*2</sup>, it is applicable that the party may receive indemnification from the Non-Life Insurance Policy-holders Protection Corporation of Japan.
- In the table below, it is applicable that any insurance without the ★ (insurance other than "fire insurance" and "other general insurance") may receive indemnification of the Non-Life Insurance Policyholders Protection Corporation of Japan regardless of the type of policyholder.

	The percentage of indemnification varies from contract to contract.	Payment of insurance claims	Surrender value, maturity refund, etc.
General insurance (other than the following)	CALI, Earthquake Insurance on Dwelling Risks	Indemnification ratio of 100%	
	Auto insurance	Full payment of insurance claim (indemnification ratio of 100%) during the three months after bankruptcy	Indemnification ratio of 80%
	Fire insurance ★		
Insurance concerning sickness and injury	Other general insurance ★ Liability insurance, movable comprehensive insurance, marine insurance, transport insurance, credit insurance, industrial accident compensation insurance, etc.	Indemnification ratio of 80% after three months have passed	Indemnification ratio of 90% <sup>*5</sup>
	Short-term general <sup>*3</sup> Special overseas travel <sup>*4</sup>		
	Individual annuity and accident insurance <sup>*5</sup> Property accumulation savings-type insurance Defined contribution plan insurance	Indemnification ratio of 90% <sup>*5</sup>	Indemnification ratio of 90% <sup>*6</sup>
	Other sickness and injury insurance General insurance other than the above, income indemnity insurance, medical and nursing care (expense) insurance, etc		In the case of savings-type insurance, the ratio for the savings portion is 80%.

Note 1) The above insurance contract categories shall follow the insurance claim payment terms under the main contract (basically the policy provisions of the contract).

\*1 "Small-size corporation" refers to any of the following corporations with no more than 20 full-time employees or workers (including an entity or foundation which is not a corporation and which defines a representative or controller) at the time of insolvency.  
(i) Japanese corporation  
(ii) Foreign corporation whose sales office or office in Japan has concluded the insurance contract

\*2 "Management association of a condominium" refers to an association provided for in Article 3 and Article 65 of the Act on Building Unit Ownership, etc. and is an organization that manages a building, etc. used primarily as residence.

\*3, 4, and 5 "Short-term general" refers to the so-called accident insurance with a contract period of one year or less. "Special overseas travel" refers to the so-called overseas travel accident insurance. "Individual annuity and accident insurance" refers to most types of the so-called individual annuity and accident insurance. Please be aware that in all cases certain conditions apply, e.g. limited to insurance contracts that do not have questions on health condition in the self-disclosure item at the time of concluding a contract.

\*6 In the case that a contract falls under a "contract with high assumed interest rate," the indemnification ratio may be further reduced from 90%. A "contract with a high assumed interest rate" refers to an insurance contract whose assumed interest rate, which is the base of calculation of the insurance premium and statutory reserve, has exceeded the base rate (3% as of July 2016) at all times over the past five years retrospective of the time of bankruptcy (applicable to a policy with a contract period of over five years or one that has been automatically renewed for over five years based on the same terms and conditions).

Note 2) With respect to "fire insurance" and "other general insurance," any insurance contract owned by a policyholder, even if other than an individual, small-size corporation or management association of a condominium (hereafter, "individual, etc.") that stipulates that the individual, etc. as the insured must substantially bear the insurance premiums, is applicable to receive the aforesaid indemnification for the portion relating to the insured.

Note 3) In the case that, based on the asset conditions of the insolvent insurance company, indemnification above the aforesaid ratio of indemnification is possible, you may receive payment in accordance with the indemnification ratio based on the asset condition.

Note 4) Insurance contracts underwritten by a small amount & short term insurance company under the revised Insurance Business Law enforced in April 2006 and a so-called cooperative are not applicable to receive the indemnification from Non-Life Insurance Policy-holder Protection Corporation of Japan.

## Main Laws concerning General Insurance

### Insurance Contract Act (2008)

The Insurance Contract Act stipulates basic matters of rights and obligations, etc. between policyholders and insurance companies regarding insurance contracts.

Specifically, it classifies insurance contracts into general insurance, life insurance, and accident and sickness fixed amount insurance, and sets the following rules as to the time when an insurance contract is concluded, insurance benefits are paid, and an insurance contract terminates:

1. Materialization of an insurance contract (Purpose of an insurance contract, duty of disclosure, delivery of documents when an insurance contract is concluded)
2. Validity of an insurance contract (An insurance contract for the benefit of a third party, over-insurance, reduction in the insured value, reduction in risk)
3. Insurance benefits (Prevention of occurrence and expansion of damages, notification of occurrence of damages, exemption from an insurer's liability, assessment of the amount of damage, under-insurance, overlapping insurance, beneficiary payment period)
4. Termination of an insurance contract (Cancellation by policyholder, cancellation due to misrepresentation, cancellation due to an increase in risk, cancellation due to serious reasons, effectiveness of cancellation), etc.

### Major Points of the Insurance Contract Act

The Insurance Contract Act enforced on April 1, 2010 was formulated by changing the provisions in the conventional Commercial Code regarding insurance into an independent law to have the content be in tune with modern society and with the objective of protecting policyholders.

#### (1) Standardization of rules regarding insurance contracts

- **The contracts to which the new Insurance Contract Law applies**
  - The new Insurance Contract Act applies to cooperative contracts whose content is the same as that of insurance contracts.
- **The provisions on accident and sickness insurance contracts**
  - Provision on accident and sickness insurance which was not provided for in the conventional Commercial Code, was newly formulated.

#### (2) Realization of the protection of policyholders (consumers)

- **Creation of disciplines of unilateral forcible provision**
  - The disciplines of unilateral forcible provision clause with content disadvantageous to policyholders, the insured, or insurance beneficiaries relative to the provisions of the Insurance Contract Act will become invalid (provided, however, that such disciplines shall not apply to insurance contracts of the corporate business field.)
- **Duty of disclosure**
  - Due to question-answering duty, it is necessary for policyholders to notify only the matters for which an insurance company requested notification.
  - An insurance company cannot cancel an insurance contract due to a duty of disclosure violation in case there has been any interference regarding notification or abetment of concealment by an insurance solicitor.
- **Beneficiary payment period**
  - Due to the provision of a payment period of insurance claims, insurance companies are liable for any delay after the lapse of the rational period of time required for conducting investigation on appropriate payment of insurance claims.
- **Provisions regarding Contracts where Another Person is the Insured**
  - As to accident and sickness insurance contracts where another person is the insured, the basic rule was defined to obtain concurrence from the insured (except in certain cases the concurrence is not required).
  - In accident and sickness insurance contracts where another person is the insured, a provision was newly created stating that the insured is allowed to request cancellation of the insurance contract in the case where, even if the insured once gave his/her consent, his/her trust relationships with the policyholder or insurance beneficiary(ies) have been broken thereafter or where the circumstances that served as the basis of such consent have changed remarkably.

#### (3) Insurance function

- **Over-insurance**
  - For over-insurance contracts where the insured amount (contract amount) exceeds the actual value (insured value) of the subject-matter of insurance, a change was made to the text on the excess part from "the excess part shall be invalid" to "the excess part can be cancelled."
- **Overlapping insurance**
  - As for overlapping insurance contracts where multiple general insurance contracts were concluded on the same subject-matter of insurance, the independent liability full payment method was introduced.

As a result this introduction, it has been stipulated that in the case where other general insurance contracts were concluded on the same subject matter of insurance, each insurance company shall assume the obligation for making full payment of an insurance claim based on the insurance contract that said insurance company per se concluded, instead of making a pro-rata payment.

#### ■ Preferential right regarding liability insurance contracts

□ In order for victims to be able to make a recovery from damages preferentially from insurance claims even in cases where the insured went into bankruptcy, a system of special preferential rights has been introduced.

#### ■ Creation of cancellation for grave reasons

□ A provision on cancellation for grave reasons was newly created to prevent moral risk, such as insurance fraud.

Based on this provision, should there be intent, fraud, and a grave reason that undermines an insurance company's confidence in the policyholder or the insured which makes continuation of the insurance contract difficult, the related insurance company can cancel the insurance contract.

#### ■ Step-in right of insurance beneficiaries

□ Against any cancellation of an insurance contract by creditors, etc. of a policyholder, a system was created where insurance beneficiary(ies) can continue the insurance contract (step-in right). Certain requirements for the insurance beneficiary(ies) to exercise the step-in right were provided for, such as obtaining the policyholder's agreement to the exercise of step-in right, paying to creditors, etc. the amount equivalent to the cash surrender value within one month from the time when the insurance company received a cancellation notice, etc. (Accident and sickness fixed amount insurance)

## Insurance Business Act (1995)

In view of the public nature of the insurance business, the Act was enacted with the aim of protecting policyholders, etc. by ensuring the soundness and appropriateness of business operations of those who conduct insurance business as well as the fairness of insurance solicitation. This Act is positioned as the basic law of an insurance control law and stipulates both aspects of supervision of insurance companies and supervision of insurance solicitation.

As for supervision of insurance companies, the Act stipulates provisions regarding license from the competent authorities, scope of business, accounting matters, evaluation of insurance products, measures to maintain soundness of insurance companies and measures to protect policyholders in the event of a bankruptcy by an insurance company and other related matters. In addition, the Act provides for supervision of foreign insurance business operators engaged in the insurance business in Japan, from the viewpoint of fairness with Japanese insurance companies.

As for supervision of insurance solicitation, the Act provides for matters concerning the registration/ notification system regarding parties that are engaged in insurance solicitation, matters concerning the acts to be prohibited during insurance solicitation, and others.

## Major Points of Revision (May 2016)

Insurance solicitation rules were reviewed in response to the report issued by the "Working Group on the Provision of Insurance Products & Services" of the Financial System Council in June 2013. The revised Insurance Business Act went into effect in May 2016.

#### ■ Creation of basic rules on insurance solicitation

□ In addition to the conventional solicitation rules that were limited to "prohibition of inappropriate acts", the obligation to actively respond to customers, i.e., the obligation to provide information and identify intentions, was introduced. The aim was to achieve fine-tuned responses at each phase of the process starting from the identification of customer needs to the conclusion of an insurance contract.

#### ■ Introduction of the obligation to establish a system for agents and other insurance solicitors

□ As well as the conventional solicitor rule that states that insurance companies bear responsibility for supervision, a rule requiring insurance solicitors to establish a system according to the size and characteristics of their operations was also newly set.

# Main Laws concerning General Insurance

## Major Points of the Insurance Business Act

<b>1</b> Commencement of Business	<ul style="list-style-type: none"> <li>• Business licenses are granted by the Prime Minister → There are two kinds of business licenses, i.e. life insurance and general insurance.</li> <li>• Concurrent operation of both life insurance business and general insurance business is prohibited.</li> <li>• Restriction on the type of company → An insurance company must be a joint stock company or mutual company.</li> </ul>
<b>2</b> Business Operation of Insurance Companies	<p><b>1 Business operations:</b> An insurance company can conduct its specific business of underwriting insurance and business incidental thereto as well as other statutory businesses including securities business, etc. to the extent so as not to impede with its specific business.</p> <p><b>Specific business operations:</b> (i) Underwriting of insurance and (ii) asset management</p> <p><b>Incidental business operations:</b> (i) Proxy service for other insurance company's business or administrative agency service, (ii) debt guarantee, (iii) underwriting of or handling of subscription for government bonds, municipal bonds, and government-guaranteed bonds and (iv) financial transactions including derivatives</p> <p><b>Other statutory businesses:</b> (i) Sales and purchase of public bonds (government bonds, municipal bonds, etc.) (public bonds dealing business), (ii) sales business, etc. of beneficiary certificates, etc. in securities investment trust</p> <ul style="list-style-type: none"> <li>• <b>Measures concerning business operation</b> → Insurance companies are obligated to give an explanation by delivering written documents about the important matters in insurance contracts.</li> <li>• <b>Antitrust law exemption system</b> → An insurance company can conduct concerted action with other insurance companies (which requires the permission of the competent authorities)</li> </ul> <p><b>2 Subsidiary:</b> An insurance company can make an insurance company, bank, securities company, subordinate business company, financial related company and such like as its subsidiary subject to receiving permission from the competent authorities in advance.</p> <p><b>3 Accounting:</b> An insurance company must, in every fiscal year, submit a business report stating the status of its business and assets to the competent authorities and disclose the disclosure data stating the said status to the public.</p> <p><b>4 Supervision:</b> Insurance companies must, when changing the document showing the method of operations, general policy conditions, etc., receive permission from or make notification to the competent authorities. Competent authorities can set the standards for judging the soundness of operations of insurance companies and order measures required for supervision.</p> <ul style="list-style-type: none"> <li>• <b>Approval system/notification system of a document showing the method of operations, general policy conditions, etc.</b></li> <li>• <b>On-site inspection</b> • <b>Business improvement order, etc.</b></li> <li>• <b>Issue of a prompt corrective action order based on the solvency margin ratio</b> (status of the adequacy of insurance claim paying ability)</li> </ul> <p><b>5 Shareholder:</b> A person/entity that holds voting rights exceeding a certain percentage of total shareholders of an insurance company or an insurance holding company must make a notification to the competent authorities.</p>
<b>3</b> Insurance solicitation	<p><b>1 Restrictions on insurance solicitation:</b> Those who can conduct insurance solicitation are provided for as follows:</p> <ul style="list-style-type: none"> <li>• "Insurance solicitation" = Acting as an agent or intermediary for the conclusion of insurance contracts</li> <li>• Prohibition of insurance solicitation by parties other than a general insurance company (officers and employees), general insurance agent, life insurance solicitor, and insurance broker</li> </ul> <p><b>2 Registration of general insurance agent, life-insurance solicitor:</b> General insurance agents and life insurance solicitors cannot conduct insurance solicitation without obtaining registration with the competent authorities.</p> <p><b>3 Basic rules on insurance solicitation:</b> The following rules are set with regard to the prohibition of inappropriate acts and active response to customers.</p> <p>&lt;Prohibited acts&gt;</p> <ul style="list-style-type: none"> <li>• False notification to a policyholder, etc., non-disclosure to a policyholder, etc. of important matters in an insurance contract</li> <li>• Provision to a policyholder, etc. of particular advantage (discount of insurance premiums, etc.)</li> <li>• Misleading expressions, etc. in comparison with other insurance contracts, etc.</li> </ul> <p>&lt;Active responses to customers&gt;</p> <ul style="list-style-type: none"> <li>• <b>Obligation to identify intentions</b> • <b>Obligation to provide information</b></li> </ul> <p><b>4 Obligation to establish a system for insurance solicitors:</b> General insurance agents, etc. must establish a system according to the size and characteristics of their operations.</p> <p><b>5 Supervision:</b> A general insurance agent, etc. must, when it has its officers or employees conduct insurance solicitation, notify the competent authorities.</p> <ul style="list-style-type: none"> <li>• <b>Officers and employees of a general insurance agent or an insurance broker</b> → Notification is required.</li> <li>• <b>Business improvement order, deregistration, etc.</b></li> </ul>
<b>4</b> Others	<p><b>1 Cooling-off system:</b> Applicants for insurance contracts can withdraw or cancel their applications in writing during a certain period of time from the conclusion of a contract.</p> <p><b>2 Alternative Dispute Resolution system in the financial industry sector (Financial ADR)</b></p> <p><b>3 Policyholder protection system</b></p> <p><b>4 Penalties</b></p>

\* There are similar provisions also with regard to foreign insurance companies.



## Act on Non-Life Insurance Rating Organizations (1948)

The Act was enacted to ensure appropriate operation of the Non-Life Insurance Rating Organizations which calculate and provide Reference Loss Cost Rates and Standard Full Rates that serve as the basic data for each insurance company to calculate fair general insurance rates, and thereby promote the sound development of the general insurance business and the protection of policyholders' interests. The General Insurance Rating Organization of Japan is established based on this Act.

## Automobile Liability Security Act (1955)

The Act was enacted with the aim of protecting victims by establishing a system to ensure damage compensation in the case of bodily injury accidents caused by automobiles. To ensure compensation money of the injuring party in an automobile bodily injury accident, the Act compels all automobile owners to conclude compulsory automobile liability insurance contract or automobile liability mutual aid contract, except for special cases.

## Act on Earthquake Insurance (1966)

The Act was enacted with the aim of disseminating earthquake insurance and contributing to the stability of lives of earthquake victims, etc. by having the Government accept, in the form of reinsurance under certain conditions, payment liability of earthquake insurance on residential houses and home contents written by insurance companies.

## Consumer Contract Act (2000)

Because there is a disparity of information and bargaining power between a consumer and a business entity, under the Act, a consumer is able to cancel a contract with a business entity when misrepresentation of the business entity misleads the consumer, or when the consumer is distressed by importunate behavior of the entity at the time of contract.

This Act also stipulates that such provisions in the contract shall be void where the liability of a business entity is restricted or the interests of consumers are heavily damaged. It also provides for a consumer organization injunction system that allows certain consumer organizations to claim the right to request a ban against unjust acts made by a business operator. This Act intends to protect the interests of consumers through such provisions.

## Act on Sales of Financial Instruments (2000)

Under the Act, financial service providers are obligated to provide customers with information on important matters (price fluctuation risk, credit risk, etc.), and are held liable for any damages or loss caused to customers by their failure to provide their customers with information on the above important matters.

The Act also stipulates about matters concerning sales of financial products concerned that such an act as providing conclusive judgments about uncertain matters or making a mention that could be misinterpreted as being definite shall be prohibited. Furthermore, the Act promotes protection of consumers by imposing the obligation on financial service providers to formulate policies concerning sales of products (solicitation policies) and make such policies public.

## Act on the Protection of Personal Information (2003)

The purpose of this Act is to protect the rights and interests of individuals by stipulating obligations to be observed by entities handling personal information with regard to appropriate handling of personal information.

The Act prescribes the obligations to be observed by entities handling personal information such as: specification of the purpose of use, proper acquisition, notification, disclosure and clear presentation of purpose of use at the time of acquisition, security control measures, supervision of parties involved and third party vendors, restriction of provision to third parties, and disclosure, correction, stoppage of the use of personal information.

## Financial Instruments and Exchange Act (2006)

This Act aims to establish comprehensive and cross-sectional rules regarding a wide range of financial products to promote investor protection. Under the Act, financial instruments business operators are required to comply with the following rules of conduct (rules for sales and solicitation), which also apply to some insurance products:

- (i) regulation on advertisements;
- (ii) obligation to deliver documents in a written format before/at the time of making a contract;
- (iii) various examples of prohibited acts such as delivery of false information; and
- (iv) prohibition of loss compensation, etc.

---

**INTERNATIONAL DEPARTMENT  
THE GENERAL INSURANCE ASSOCIATION OF JAPAN**

General Insurance Building  
9, Kanda Awajicho 2-Chome, Chiyoda-Ku, Tokyo 101-8335, Japan

Tel : +81-3-3255-1439

Fax : +81-3-3255-1234

E-mail : [kokusai@sonpo.or.jp](mailto:kokusai@sonpo.or.jp)

URL : <http://www.sonpo.or.jp/en/>