

# STATISTICS

## REINSURANCE CLAIMS PAID IN FISCAL 2011

Reinsurance claims paid in fiscal 2011 amounted to 1,240.6 billion yen, including earthquake reinsurance claims paid to cover the 2011 off the Pacific coast of Tohoku Earthquake. In terms of numbers, 753,310 claims were paid (on the basis of insurance policies). See below for major claims paid per earthquake.

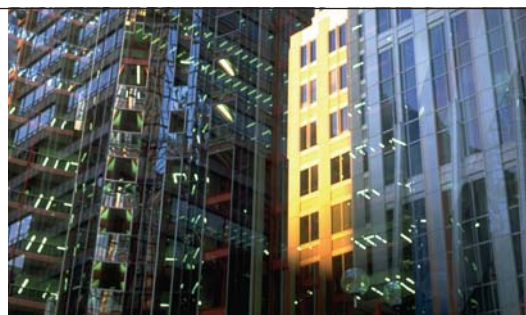
Earthquake (Region name)	Date of occurrence	Magnitude	No. of policies	Reinsurance claims paid (million yen)
1. The 2011 off the Pacific coast of Tohoku	March 11, 2011	9.0	710,821	1,195,351
2. Miyagi-ken-oki	April 7, 2011	7.2	28,120	30,387
3. Shizuoka-ken Tobu	March 15, 2011	6.4	4,391	3,722
4. Fukushima-ken Hamadori	April 11, 2011	7.0	2,184	3,495
5. Nagano-ken Chubu	June 30, 2011	5.4	2,773	3,160
Other earthquakes	—	—	5,021	4,483
Total	—	—	753,310	1,240,600

## THE PERCENTAGE OF HOUSEHOLDS PURCHASING EARTHQUAKE INSURANCE IN AREAS AT RISK OF MAJOR EARTHQUAKES

Earthquake (Region name)	No. of households (A) (1,000 households)	No. of contracts (B) (1,000 contracts)	Amount insured (million yen)	Percentage of households with insurance (B/A) (%)	Probability that an earthquake could occur within the next 30 years
Great Kanto	24,044	7,186	60,822,485	29.9	Nearly 0%–1%
Tokyo metropolitan	16,983	5,205	43,417,699	30.6	About 70%
Tokai	22,860	7,062	59,615,437	30.9	88% (reference value)
Tonankai	21,665	6,209	52,738,507	28.7	About 70%
Nankai	29,476	8,025	68,111,780	27.2	About 60%

Note 1: The figures were prepared by JER by focusing on the main prefectures affected by earthquakes based on the latest loss estimates prepared by the Non-Life Insurance Rating Organization of Japan.

Note 2: The probability that an earthquake could occur within the next 30 years is based on the 2012 version of the National Seismic Hazard Maps for Japan of the Headquarters for Earthquake Research Promotion of the Japanese government. The probability of an earthquake with an epicenter directly below metropolitan Tokyo refers to an earthquake with magnitude of about 7 that could occur in southern Kanto.



## TOP 20 EARTHQUAKES AS TO REINSURANCE CLAIMS PAID

See the table below for the top 20 earthquakes with respect to reinsurance claims paid since the earthquake insurance was established.

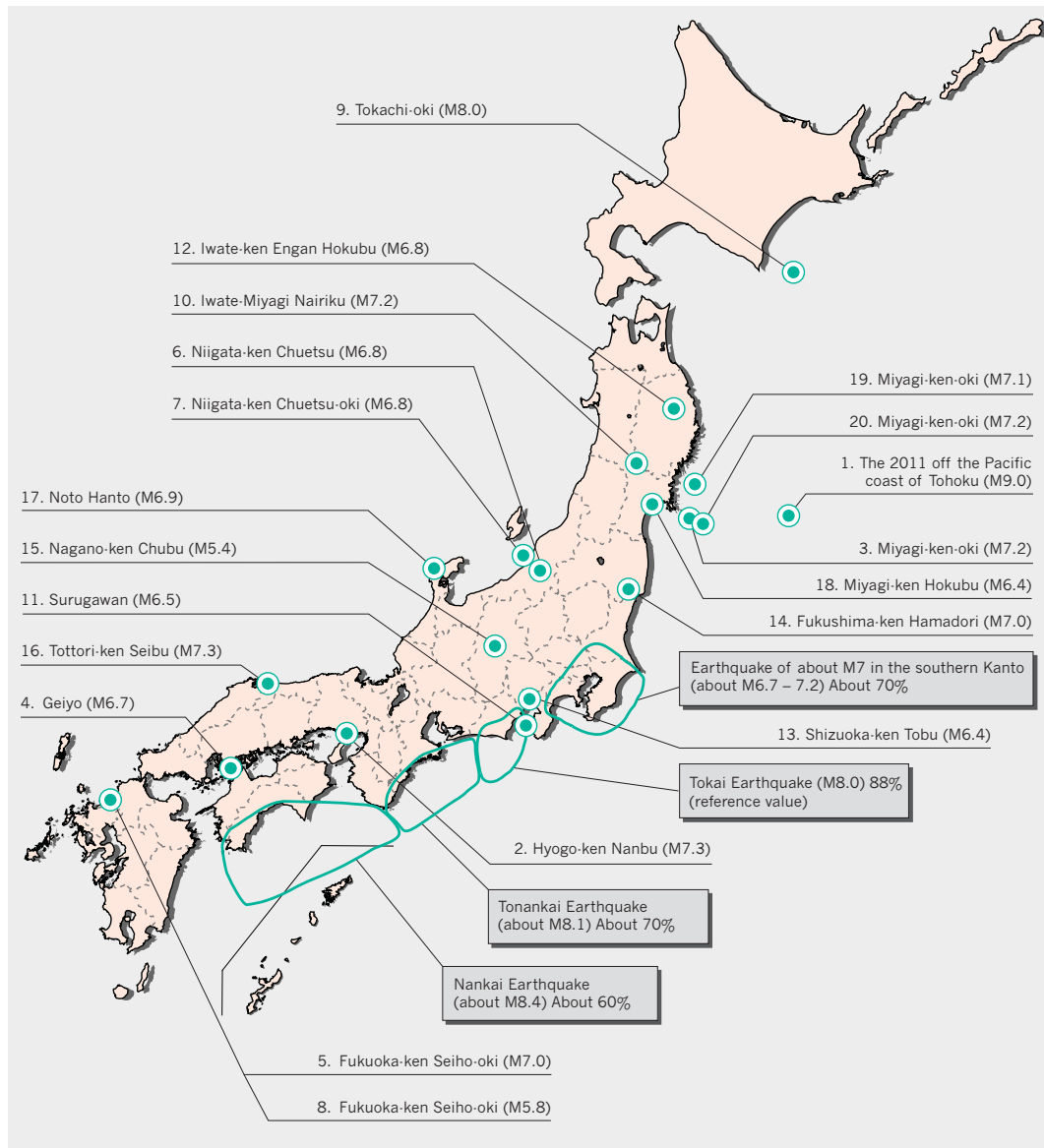
(As of March 31, 2012)

Earthquake (Region name)	Date of occurrence	Magnitude	No. of policies	Reinsurance claims paid (million yen)
1. The 2011 off the Pacific coast of Tohoku	March 11, 2011	9.0	710,821	1,195,351
2. Hyogo-ken Nanbu	January 17, 1995	7.3	65,427	78,346
3. Miyagi-ken-oki	April 7, 2011	7.2	28,120	30,387
4. Geiyo	March 24, 2001	6.7	24,450	16,940
5. Fukuoka-ken Seiho-oki	March 20, 2005	7.0	22,014	16,934
6. Niigata-ken Chuetsu	October 23, 2004	6.8	12,604	14,895
7. Niigata-ken Chuetsu-oki	July 16, 2007	6.8	7,854	8,243
8. Fukuoka-ken Seiho-oki	April 20, 2005	5.8	11,334	6,426
9. Tokachi-oki	September 26, 2003	8.0	10,552	5,990
10. Iwate-Miyagi Nairiku	June 14, 2008	7.2	8,274	5,537
11. Suruga-wan	August 11, 2009	6.5	9,273	5,007
12. Iwate-ken Engan Hokubu	July 24, 2008	6.8	7,754	3,972
13. Shizuoka-ken Tobu	March 15, 2011	6.4	4,391	3,722
14. Fukushima-ken Hamadori	April 11, 2011	7.0	2,184	3,495
15. Nagano-ken Chubu	June 30, 2011	5.4	2,773	3,160
16. Tottori-ken Seibu	October 6, 2000	7.3	4,078	2,868
17. Noto Hanto	March 25, 2007	6.9	3,303	2,729
18. Miyagi-ken Hokubu	July 26, 2003	6.4	2,543	2,172
19. Miyagi-ken-oki	May 26, 2003	7.1	2,970	1,918
20. Miyagi-ken-oki	August 16, 2005	7.2	2,793	1,551

Note: Insurance claims worth 78,346 million yen were paid to cover the Hyogoken-Nanbu Earthquake. Of these claims, the government paid 6,173 million yen, JER 40,000 million yen and the non-life insurance companies 32,173 million yen according to the reinsurance scheme in force at the time.

Below are the epicenters and magnitudes of the top 20 earthquakes for which we paid reinsurance claims in the past. The number attached to the name of the earthquake is in order of payment amount.

As a reference, the epicenter area and the probability that an earthquake with a magnitude of about 7 in southern Kanto, the Tokai earthquake, the Tonankai earthquake and the Nankai earthquake could occur within the next 30 years announced by the Headquarters for Earthquake Research Promotion of the government are also included.





## RESPONSE TO THE GREAT EAST JAPAN EARTHQUAKE

At 2:46 p.m. on March 11, 2011, the largest earthquake in recorded Japanese history, with a magnitude of 9.0 on the Richter scale, struck off the coast of Sanriku, causing unprecedented damage to the Tohoku and Kanto regions, with violent tremors and a massive tsunami. The Japan Meteorological Agency named this earthquake, “The 2011 off the Pacific coast of Tohoku Earthquake,” while the Japanese government decided to collectively call the disaster “The Great East Japan Earthquake,” which referred to the damage caused by the earthquake, the subsequent tsunami, and aftershocks.

Responding to this devastating disaster, the non-life insurance industry and the Japanese government were united to take initiatives to promptly and steadily make insurance payouts to support the reconstruction of the lives of policyholders.

### SUMMARY OF THE GREAT EAST JAPAN EARTHQUAKE

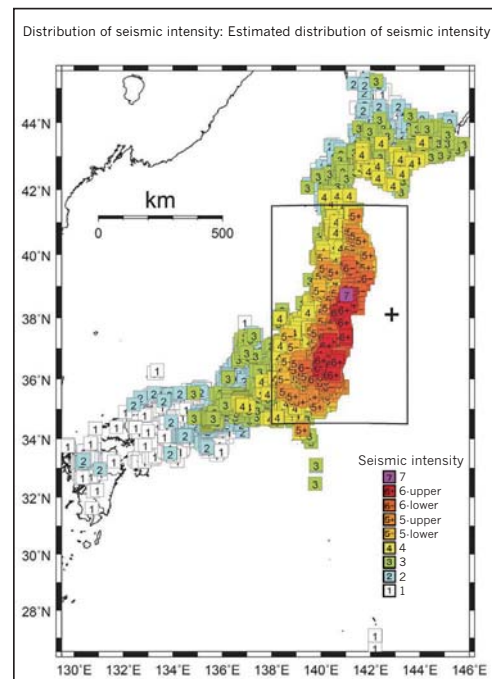
#### Outlook of the Earthquake

- (i) Date and Time: Friday, March 11, 2011, 14:46 JST (05:46 UTC)
- (ii) Hypocenter: Sanriku-oki (N38.1, E142.5)
- (iii) Depth: 24 km
- (iv) Magnitude: 9.0
- (v) JMA Seismic Intensity:

The intensity of 7 was recorded in Kurihara City, Miyagi Prefecture, and the intensity of a 6-upper was recorded in 34 cities and towns in four prefectures of Miyagi, Fukushima, Ibaraki and Tochigi, in addition to a wide area of Japan from Hokkaido to Kyushu, mainly in the eastern part of Japan, where the intensity of between a 6-lower and 1 was recorded.

- (vi) Number of aftershocks:  
The number of aftershocks so far (as at noon, March 8, 2012) is as follows.

Maximum seismic intensity	No. of aftershocks
6-upper	2
6-lower	2
5-upper	10
5-lower	33
4	184



Sources: “Monthly Report on Earthquakes and Volcanoes in Japan, March 2011” of the Japan Meteorological Agency

### Summary of damage (as of March 13, 2012)

(i) Casualties:	Death:	16,278 people
	Missing:	2,994 people
	Injured:	6,179 people
(ii) Residential damage:	Total collapse:	129,198 houses
	Half collapse:	254,238 houses
	Partially collapse:	715,192 houses

\* Prepared by JER based on “Monthly Report on Earthquakes and Volcanoes in Japan, March 2011” of the Japan Meteorological Agency and “The 2011 off the Pacific coast of Tohoku Earthquake (the Great East Japan Earthquake) (No. 145)” of the Fire and Disaster Management Agency

## INITIATIVES TAKEN IN THE WAKE OF THE GREAT EAST JAPAN EARTHQUAKE

### 1. Initiatives taken by the non-life insurance industry

To carry out the social mission of earthquake insurance, “Contribute to establishing a stable living for the victims,” the General Insurance Association of Japan (the “GIAJ”) established an “Earthquake Insurance Central Command,” and the non-life insurance industry united across all member companies to take the initiatives described below. As a result, as of May 31, 2012, the overall non-life insurance industry paid earthquake insurance of approximately 1,234.5 billion yen.

#### (1) Enhancement of information provision to customers

The GIAJ prepared posters (approximately 80,000 sheets) and leaflets (approximately 546,000 copies) that presented inquiry addresses and telephone numbers of non-life insurance companies, and presented and distributed them mainly to municipal government offices and evacuation centers. It also published a list of inquiry addresses of member companies in 18 newspapers, while it broadcast 500 radio commercial messages about the inquiry addresses of the GIAJ, and released advertising (on 12 regional television stations in affected areas) to encourage policyholders to make earthquake insurance claims. Moreover, it introduced special measures to the no-entry zone and other areas in the wake of the accident at the Fukushima Daiichi Nuclear Power Plant, and published payments of earthquake insurance in two newspapers in Fukushima Prefecture.

#### (2) Strengthening support for customers who are unsure about their insurance companies

The GIAJ established an “the Center for Searching Earthquake Insurance Contracts” for customers who were unsure about which insurers their earthquake insurance and other non-life insurance contracts were concluded with because they had lost their insurance policies, due to the disaster and other reasons. It helped confirm customers’ non-life insurance companies through the specially designated free telephone services and the web page. In the same manner, each member company also dealt with inquiries from customers who were unsure about their insurance companies.



### (3) Prompt insurance payouts by streamlining loss confirmation procedures and survey of earthquake insurance

Because the tsunami and fires caused losses across large areas of the coastal regions in Iwate, Miyagi and Fukushima prefectures, non-life insurance companies carried out a joint loss survey, in what was an industry's first. Non-life insurance companies identified areas with the same level of losses through the joint survey, and identified areas that had sustained devastating damage from the disaster as "total loss areas" using aerial and satellite photography as well as tours of the areas themselves. As a result, by waiving the need for onsite inspections, member companies promptly paid total earthquake insurance claims for earthquake insurance contracts in total loss areas. To facilitate claims by customers, the GIAJ also published the total loss area on its website.

### (4) Simpler procedures for earthquake insurance claims

In conducting an earthquake loss survey on wooden buildings and on furniture in such buildings, in addition to onsite inspections, non-life insurance companies adopted a loss inspection in which, provided certain requirements are met, onsite inspections are waived and the loss is inspected based on photos taken by customers and other self-reported documents. They also conducted inspections based on self-reported documents for claims in the no-entry zone and other areas where entries were limited in the wake of the accident at the Fukushima Daiichi Nuclear Power Plant.

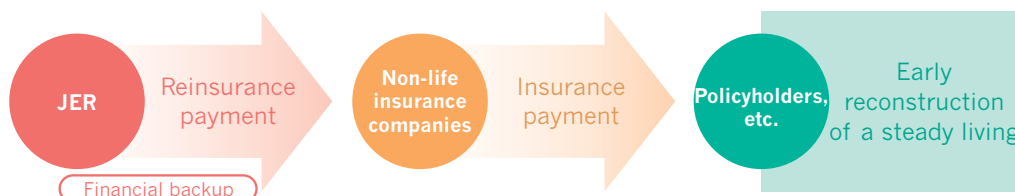
### (5) Donation of the relief money

To help support people in the areas affected by the Great East Japan Earthquake, the GIAJ received donations from 26 member companies and donated relief money of 1 billion yen to the Japanese Red Cross Society.

## 2. Initiatives taken by JER

### JER's mission and role in the face of major disasters

Our mission in the face of major disasters is to financially facilitate prompt insurance payouts by non-life insurance companies through "reinsurance payouts" to support the early reconstruction of the lives of policyholders in the afflicted areas.



## Prompt reinsurance payment

To promptly make reinsurance payouts to non-life insurance companies, we established an Earthquake Disaster Countermeasures Headquarters on the day the Great East Japan Earthquake took place, and took steps to promptly secure funds and make reinsurance payouts based on approximate projections, in cooperation with non-life insurance companies and the government. As a result, we made reinsurance payouts of approximately 1,195.4 billion yen for approximately 710,000 policies<sup>(Note)</sup> by the end of March 2012.

(Note) The figures do not include reinsurance payouts related to aftershocks and other earthquakes.

### — Securing funds promptly

- ✓ Preparation of approximately 322.4 billion yen in cash by selling assets within 20 days of the occurrence of the earthquake (March 31, 2011).
- ✓ Receipt of reinsurance payouts of approximately 426.8 billion yen (based on approximate projections) from the government within 73 days of the occurrence of the earthquake (May 23, 2011).

Because the earthquake insurance system is a system whose income and expenditures are designed to be balanced out after a long period of time, all premiums received, after deducting necessary expenses, are individually set aside as reserves by non-life insurance companies and the government.

Insurance claims paid to policyholders affected by the earthquake were funded from these reserves. To promptly secure funds for reinsurance payouts to non-life insurance companies, we quickly started to sell our reserve assets from the first business day after the occurrence of the earthquake. At the same time, cooperating with the government, we flexibly requested the government's reinsurance payouts and implemented procedures for receiving the payments.



### — Reinsurance payouts based on approximate projections

- ✓ Provision of funds of approximately 968.6 billion yen to non-life insurance companies within 75 days of the earthquake (May 25, 2011).

To facilitate prompt insurance payouts by non-life insurance companies to policyholders, we made reinsurance payouts based on approximate projections for the first time since the establishment of Japan's earthquake insurance system.

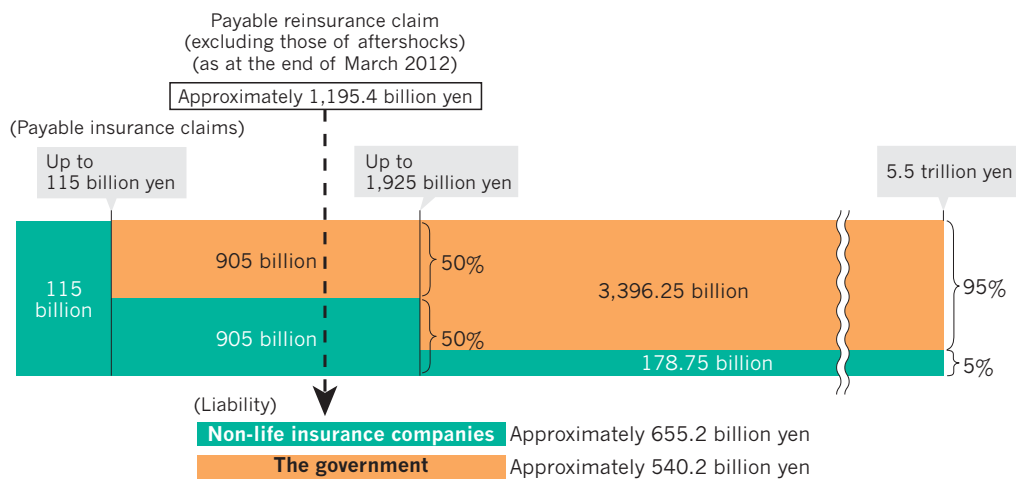
Payments based on approximate projections is a system in which estimated reinsurance payouts based on rough projections on the amount of damage incurred by the relevant earthquake. The system is designed to make it possible to provide in advance the funds necessary for insurance payouts to non-life insurance companies before they actually pay insurance claims to policyholders who are afflicted by an earthquake.



## STATUS OF THE BURDEN OF LIABILITIES ASSOCIATED WITH THE GREAT EAST JAPAN EARTHQUAKE

The reinsurance scheme for the Great East Japan Earthquake and the share of liabilities for the damage from the earthquake between non-life insurance companies and the government are as follows:

### Reinsurance scheme at the time when the Great East Japan Earthquake took place (from April 1, 2009 to May 1, 2011)



### LIABILITY LIMIT

Non-life insurance companies (including JER)	1,198.75 billion yen
The government	4,301.25 billion yen
Total	5,500.00 billion yen

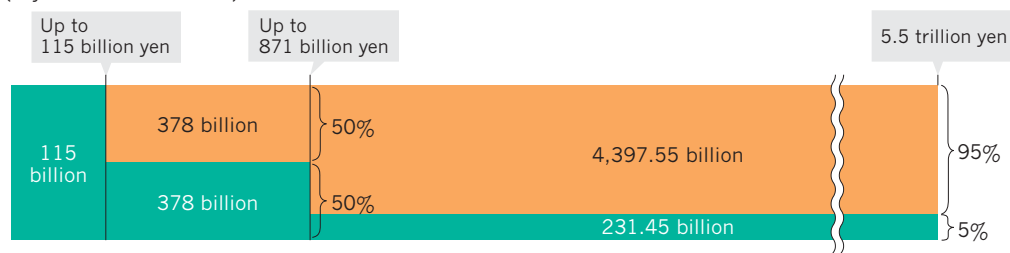


## MODIFICATION OF THE REINSURANCE SCHEME AFTER THE GREAT EAST JAPAN EARTHQUAKE

Reserves of non-life insurance companies noticeably decreased with the burden of liabilities after the Great East Japan Earthquake. As a result, to reinforce the continuity and the stability of the scheme to deal with large-scale earthquakes in the future, the reinsurance scheme was revised on May 2, 2011, as shown below.

### Reinsurance scheme after the Great East Japan Earthquake took place (from May 2, 2011 to April 5, 2012)

(Payable insurance claims)



### LIABILITY LIMIT

Non-life insurance companies (including JER)	724.45 billion yen
The government	4,775.55 billion yen
<b>Total</b>	<b>5,500.00 billion yen</b>

Note: Please refer to Page 12 for information on the mechanism of reinsurance and the latest reinsurance scheme.

## STATUS OF REINSURANCE PAYMENTS ASSOCIATED WITH THE GREAT EAST JAPAN EARTHQUAKE

(As of March 31, 2012)

### BY PREFECTURES

Region	No. of policies	Reinsurance claims (million yen)
Hokkaido	716	735
Tohoku	Aomori	4,589
	Iwate	56,348
	Miyagi	547,305
	Akita	1,019
	Yamagata	2,410
	Fukushima	153,773
	Subtotal	349,507



Region		No. of policies	Reinsurance claims (million yen)
Kanto, Koshinetsu, Shizuoka	Ibaraki	101,146	151,757
	Tochigi	35,245	42,041
	Gunma	7,671	6,746
	Saitama	30,708	24,553
	Chiba	80,402	103,961
	Tokyo	83,553	81,352
	Kanagawa	17,375	15,252
	Niigata	1,231	986
	Yamanashi	2,024	1,439
	Nagano	228	278
	Shizuoka	721	529
Subtotal		360,304	428,899
Other prefectures		294	270
Total		710,821	1,195,351

Note 1: The number of policies represents the number of insurance policies of earthquake insurance contracts, under which insurance claims were paid.

2: The figures do not include reinsurance payouts related to aftershocks.

## BY PROPERTIES AND LOSS CATEGORIES

### Tohoku region

	Buildings		Personal property		Total	
	No. of properties	Reinsurance claims (million yen)	No. of properties	Reinsurance claims (million yen)	No. of properties	Reinsurance claims (million yen)
Total loss	22,635	204,545	13,034	43,034	35,669	247,580
Half loss	62,601	293,449	74,103	118,925	136,704	412,375
Partial loss	185,639	97,994	45,007	7,495	230,646	105,490
Total	270,875	595,989	132,144	169,456	403,019	765,446

### Non-Tohoku region

	Buildings		Personal property		Total	
	No. of properties	Reinsurance claims (million yen)	No. of properties	Reinsurance claims (million yen)	No. of properties	Reinsurance claims (million yen)
Total loss	4,905	45,674	681	2,216	5,586	47,890
Half loss	31,937	153,182	33,332	59,087	65,269	212,270
Partial loss	258,379	153,324	88,706	16,419	347,085	169,744
Total	295,221	352,181	122,719	77,723	417,940	429,905

Note 1: The number of properties represents the number of properties (by building and personal property) under the earthquake insurance contracts, whose insurance claims were paid.

2: The figures do not include reinsurance payouts related to aftershocks.