

Earthquake Insurance on Dwelling Risks



March 20, 2012

SOMPO JAPAN INSURANCE INC.

1. Earthquake Insurance on Dwelling Risks

(1) Subject and contract method of Earthquake Insurance

The subject for Earthquake Insurance on Dwelling Risks is dwelling houses (buildings used exclusively or partially as residences) and household goods (movables for domestic life). Contracts for Earthquake Insurance on Dwelling Risks are concluded attached to the main fire insurance policy and cannot be concluded separately.

(2) Scope of cover

Earthquake Insurance on Dwelling Risks will compensate for losses of building and/or contents caused by fire, destruction, burying or washing-away following an earthquake, volcanic eruption, or tsunami.

(3) Amount of coverage

The insured amount of Earthquake Insurance on Dwelling Risks is set between 30% and 50% of the insured amount of fire insurance. The upper limits are 50 million yen for dwelling houses and 10 million yen for household goods.

1. Earthquake Insurance on Dwelling Risks

(4) Appraisal

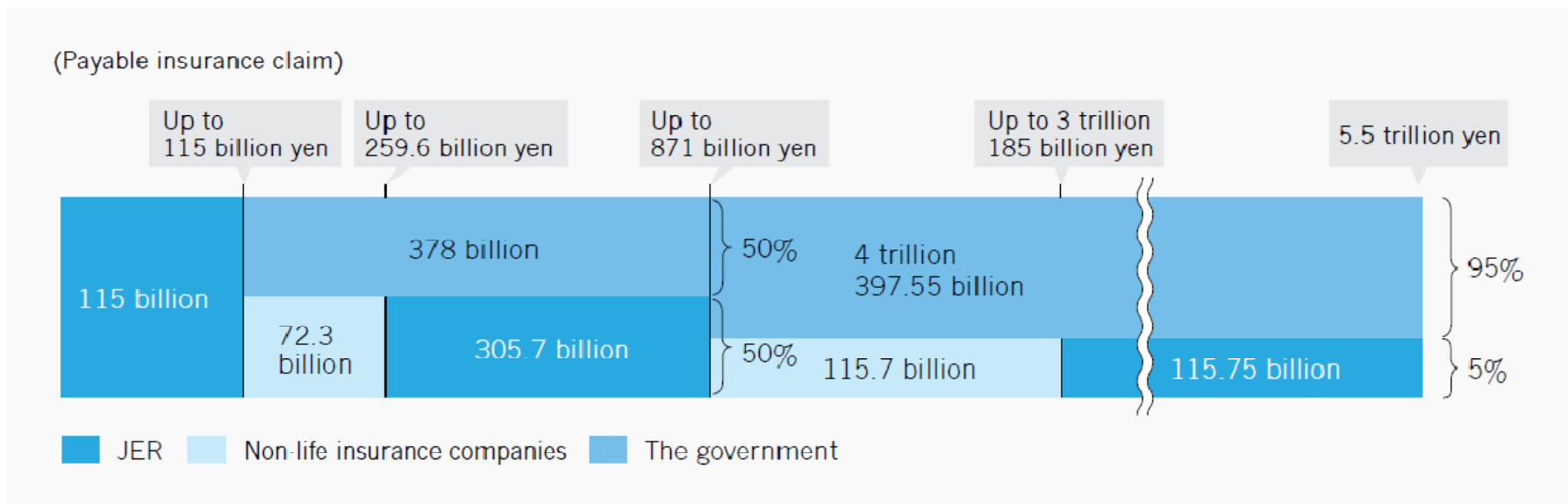
Categorize damage status into 3 groups for prompt payment.

Insurable objects	Degree of loss	Amount of insurance claim paid
Residential buildings, personal property	Total loss	100% of amount insured (up to the current price* of the insurable objects)
	Half loss	50% of amount insured (up to 50% of the current price of the insurable objects)
	Partial loss	5% of amount insured (up to 5% of the current price of the insurable objects)

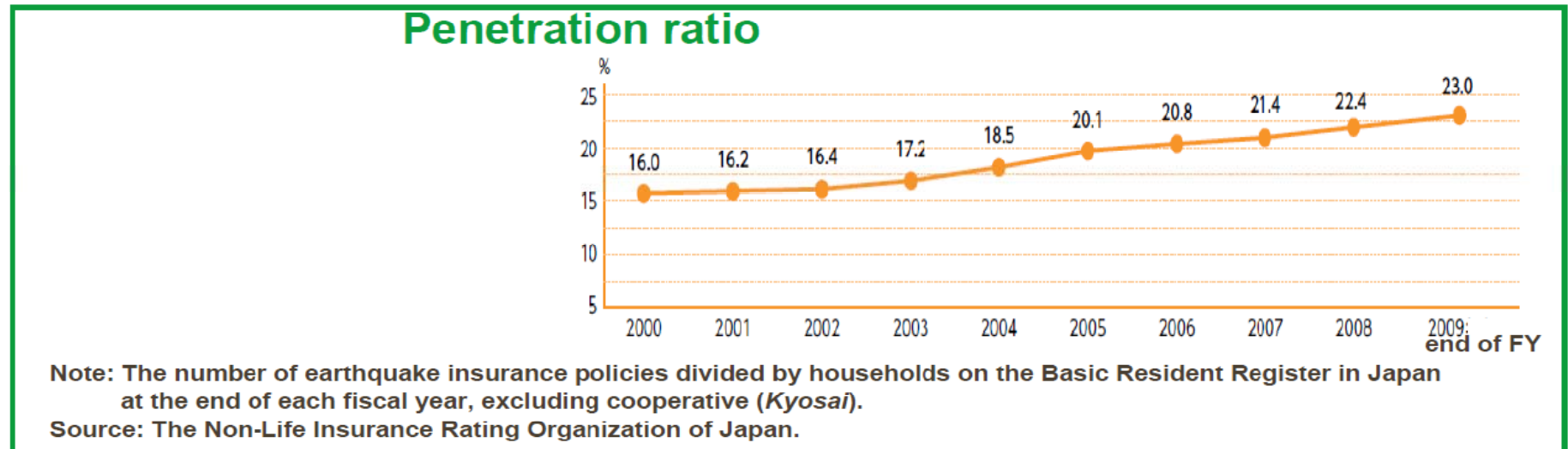
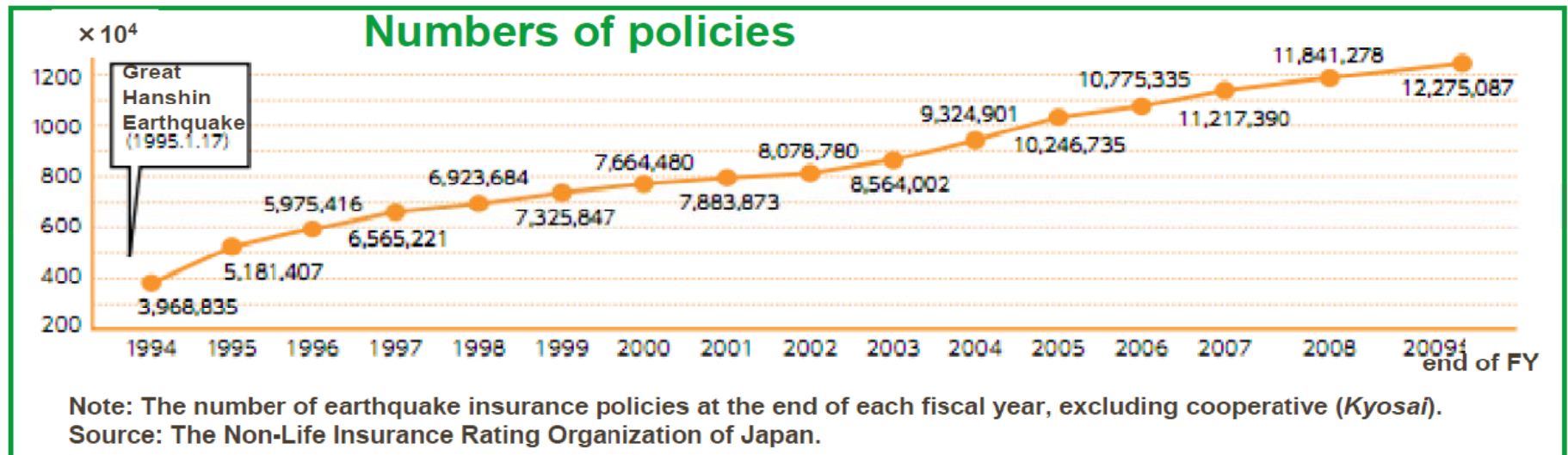
1. Earthquake Insurance on Dwelling Risks

(6) Reinsurance scheme

In the event that a major earthquake happens, it can result in large payouts of insurance claim by insurance companies. Because there is a certain limit, to the ability of these companies to make payments, the government shares insurance responsibility with them through reinsurance.



2. Statistics



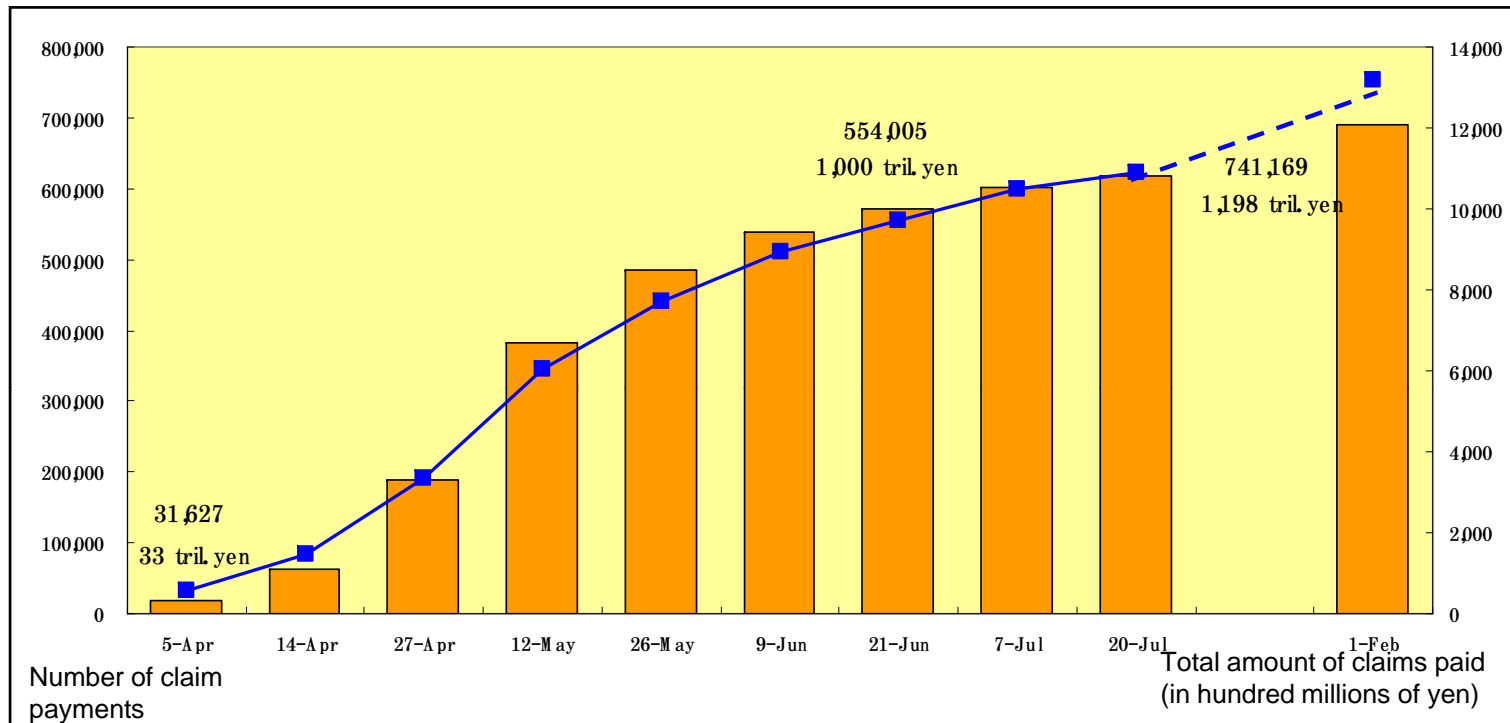
3. The basic policy of the Earthquake Insurance Central Command

The GIAJ's basic policy and future measures for the Great East Japan Earthquake (hereinafter the Earthquake) were decided at a meeting of the Earthquake Insurance Central Command on March 17th, 2011. Under the policy, appropriate and prompt measures have been taken by the Japanese general insurance industry (hereinafter the industry).

【Basic Policies】

1. The Earthquake in east Japan was an unprecedented national crisis. The industry is to make unified efforts to achieve the purpose of earthquake insurance, which is to contribute to the stability of lives of the affected people.
2. While large areas and a large number of insured properties were damaged, the industry is to make unified efforts to achieve prompt, appropriate and fair insurance payments.
3. The industry is to respond to consultations from policyholders and affected people with empathy to reduce their burden as much as possible.

4. Payment status of Earthquake Insurance on Dwelling Risks



Ten months after the disaster, 98.8% of inquiries received have been settled. The total amount of claims paid for earthquake insurance on Dwelling Risks will be JPY 1.2 trillion.

“To contribute to the stabilization of the lives of the affected people”, which is the objective of Earthquake Insurance, the industry has made concerted efforts for prompt payments of insurance claims.

Key figures related to insurance claims due to the earthquakes and tsunamis in eastern Japan, as of February 1, 2012

Earthquake Insurance Attachment Rate by Prefecture

The figures below were gathered from domestic and foreign insurance companies.

(FY 2010)

Region	Number of inquiries (*1)	Number of settled cases (*2)	Number of claim payments	Total amount of claims paid (in thousands of yen)	Attachment Rate (%) (*3)
Hokkaido	1,250	1,240	734	747,493	44.9
Aomori	8,605	8,558	7,419	4,868,312	48.5
Iwate	30,622	30,422	27,017	57,678,507	44.6
Miyagi	277,554	276,329	258,488	554,451,134	68.7
Akita	2,177	2,150	1,841	1,027,921	51.4
Yamagata	3,592	3,545	3,008	2,419,305	43.2
Fukushima	83,167	82,250	76,439	154,962,590	40.1
Subtotal	405,717	403,254	374,212	775,407,768	
Tohoku					
Ibaraki	116,219	115,526	105,179	151,178,323	41.6
Tochigi	43,993	43,585	37,269	42,080,830	40.2
Gunma	9,925	9,856	8,306	6,997,182	35.0
Saitama	44,545	43,855	34,268	26,187,733	45.3
Chiba	97,687	96,295	82,156	104,030,022	45.0
Tokyo	111,032	108,816	85,122	80,694,222	45.5
Kanagawa	25,253	24,616	18,401	15,814,817	48.3
Niigata	1,808	1,785	1,313	998,216	50.1
Yamanashi	2,678	2,563	2,151	1,514,726	52.5
Nagano	349	344	242	281,481	35.8
Shizuoka	3,270	3,212	2,570	1,873,501	51.6
Subtotal	456,759	450,453	376,977	431,651,054	
Kanto, Koshinetsu, and Shizuoka					
Other prefectures	771	745	326	301,115	
Total	864,497	855,692	752,249	1,208,107,429	48.1

*1 The number of inquiries includes the number of cases where the insurance companies received requests for damage investigation, inquiries about earthquake insurance coverage, and requests for advice on the policyholder's contract.

*2 The number of settled cases includes both the number of cases where claim payments were or were not made as a result of an actual investigation and cases that were settled when the insurance companies simply received requests for damage investigation.

(Examine GIAs)

*3 "Earthquake Insurance Attachment Rate" represents the number of Earthquake Insurance policies attached to Fire Insurance policies for dwelling houses, divided by the total number of Fire Insurance policies for dwelling houses.

(Examine Non-Life Insurance Rating Organization of Japan)