

Table of Contents

CHAPTER 1 THE FIRE INSURANCE MARKET OF JAPAN	1
1 - 1. History and Current Situation	1
1-1-1. Japanese attitudes towards fire	1
1-1-2. The birth of fire insurance in Japan.....	1
1-1-3. Improvements in fire insurance products	1
1-1-4. Liberalisation of insurance products.....	2
1-1-5. The position of fire insurance in the non-life insurance market.....	3
1 - 2. Future Challenges	4
1-2-1. Responding to increasing natural disaster risks	4
1-2-2. Prevention of fraudulent claims.....	5
1-2-3. Support for disaster prevention and mitigation initiatives	5
CHAPTER 2 OVERVIEW OF FIRE INSURANCE PRODUCTS	7
2 - 1. Insured Objects.....	7
2-1-1. Buildings.....	7
2-1-2. Movable property	7
2-1-3. Equipment added to buildings.....	8
2-1-4. Outdoor fixtures, apparatus and goods placed out in the open	8
2 - 2. Insured Amounts	8
2-2-1. Method of determining the amount of claims payable	8
2-2-2. Insurable value and insured amount	9
2-2-3. Replacement value and actual cash value	9
2-2-4. Full-insurance, over-insurance and under-insurance	9
2 - 3. Premium Rates.....	11
2-3-1. Terminology of fire insurance premium rates.....	11
2-3-2. Premium rate structure	11

2-3-3. Reference Loss Cost Rates	12
2 - 4. Rate Structure	12
2-4-1. Dwelling Risks	12
2-4-2. Factory Risks.....	13
2-4-3. Warehouse Risks.....	13
2-4-4. General Risks	13
CHAPTER 3 FIRE INSURANCE FOR DWELLINGS	17
3 - 1. The Significance of the Shift to Comprehensive Insurance.....	17
3 - 2. Householders' Comprehensive Insurance	18
3-2-1. Overview	18
3-2-2. Insured objects	18
3-2-3. Types of coverage	19
3-2-4. Exclusions	29
3-2-5. General conditions.....	31
3-2-6. Other rights and obligations of policyholders and insurers	34
3 - 3. Other Types of Fire Insurance for Dwelling Risks	35
3-3-1. Dwelling House Fire Insurance	35
3-3-2. All Risks Type Fire Insurance.....	36
3-3-3. Storekeepers' Fire Insurance	36
3 - 4. Savings-Type Fire Insurance.....	39
3-4-1. History of Savings-type Fire Insurance	39
3-4-2. Features of Savings-type Fire Insurance	40
CHAPTER 4 EARTHQUAKE INSURANCE FOR DWELLING RISKS	41
4 - 1. History of the Earthquake Insurance System	41
4-1-1. Establishment	41
4-1-2. Revision.....	42
4 - 2. Summary of the Earthquake Insurance System.....	44
4-2-1. Key features	44
4-2-2. Structure of the Government's reinsurance scheme program.....	44
4 - 3. Overview of Earthquake Insurance for Dwelling Risks	47

4-3-1. Method of insurance contract.....	47
4-3-2. Suspension of insurance contracts	48
4-3-3. Insured object of Earthquake Insurance for Dwelling Risks.....	48
4-3-4. Scope of coverage.....	49
4 - 4. Earthquake Insurance Premium Rates	52
4-4-1. Calculation method.....	52
4-4-2. Details of premium calculation and discount	54
4 - 5. Challenges and Initiatives of Insurance Prevalence.....	55
4-5-1. Penetration trend.....	55
4-5-2. Challenges and Initiatives.....	56
CHAPTER 5 FIRE INSURANCE FOR BUSINESS RISKS	59
5 - 1. After Deregulation	59
5 - 2. Traditional Fire Insurance for Business Risks.....	59
5-2-1. Overview	59
5-2-2. Ordinary Fire Insurance coverage.....	60
5-2-3. Major endorsements of the coverage.....	61
5-2-4. Special fire insurance forms for business risks	63
5-2-5. Claim payment method endorsements in Ordinary Fire Insurance policies	64
5 - 3. Fire Insurance for Indirect Losses.....	65
5-3-1. Necessity of indirect loss indemnity	65
5-3-2. Comprehensive business interruption insurance.....	66
5 - 4. Comprehensive Fire Insurance for Business Risks	69
5-4-1. Common features	69
5-4-2. Endorsements and supplementary services.....	69
CHAPTER 6 EVALUATIONS.....	71
6 - 1. Significance and Importance of Evaluation	71
6 - 2. Fire Insurance Evaluation Criteria and Evaluation Methods.....	71
6-2-1. Evaluation criteria.....	71
6-2-2. Evaluation methods	72

6 - 3. Evaluation Methods in Fire Insurance for Dwelling Risks	72
6-3-1. Evaluation method for detached residential buildings	72
6-3-2. Evaluation of household goods	73
6 - 4. Evaluation Methods in Fire Insurance for Business Risks	74
6-4-1. Evaluation of buildings.....	74
6-4-2. Evaluation of machinery, equipment and tools	74
6-4-3. Evaluation of business fixtures	74
6-4-4. Evaluation of goods, products, etc.	75
CHAPTER 7 CLAIM PAYMENTS.....	77
7 - 1. Workflow of Responses to Fire Insurance Claims.....	77
7-1-1. Receipt of accident notification	77
7-1-2. Confirmation of contract details	77
7-1-3. Outsourced damage investigation.....	77
7-1-4. Agreement and certification of the amount of damage	77
7-1-5. Payment of insurance claims	78
7-1-6. In cases where a third party is responsible for the damage.....	78
7 - 2. Calculation of the Amount of Insurance Claim Payable	78
7-2-1. Determination of the damage amount	78
7-2-2. Determination of insurable value	79
7-2-3. Calculation of amount of claim payable.....	79
7-2-4. Specific points of endorsements regarding amount of claim payable	79
7 - 3. Workflow of Responses to Widespread Natural Disaster Claims	79
7-3-1. Reasons for the necessity of responding in a different way to other types of claim	79
7-3-2. Workflow of responses common to widespread natural disaster claims	79
7-3-3. Identifying the scale of damage	80
7-3-4. Workflow of responses specific to each natural disaster type	80
7 - 4. Response to Moral Risks	81
7-4-1. Points for identifying cases of suspected moral hazard.....	81
7-4-2. Responses to moral risks.....	82
CHAPTER 8 SALES METHODOLOGY	83
8 - 1. Fire Insurance Sales Channels	83

8 - 2. Insurance Agents Mainly Responsible for the Sale of Fire Insurance for Dwelling Risks.....	84
8 - 3. Non-life Insurance Company Initiatives for New Sales Methods and Sales Efficiency.....	85
APPENDIX: Reference Translation of the Householders' Comprehensive Insurance Policy	87