

AUTOMOBILE LIABILITY SECURITY ACT

&

**RELATED CABINET ORDER,
MINISTERIAL ORDINANCE
AND NOTIFICATION**

Including:
Policy Conditions for Automobile Liability Insurance

As of May 2, 2011

Translated and published by
General Insurance Rating Organization of Japan

AUTOMOBILE LIABILITY SECURITY ACT

&

RELATED CABINET ORDER,
MINISTERIAL ORDINANCE
AND NOTIFICATION

Including:
Policy Conditions for Automobile Liability Insurance

As of May 2, 2011

Translated and published by
General Insurance Rating Organization of Japan

REMARKS:

Please note that this English translation is prepared for the convenience of foreign nationals, and that authentic texts of the act, orders, ordinances, notifications and policy conditions contained herein are those written in the original Japanese language.

本資料は試訳であり、あくまでも参考資料としての位置付けにあることから、ご利用に際しては必ず日本語の原文をご参照くださいますようお願い申し上げます。

TABLE OF CONTENTS

目次

AUTOMOBILE LIABILITY SECURITY ACT (Act No.97, July 29, 1955).....	1
自動車損害賠償保障法（昭和 30 年 7 月 29 日法律第 97 号）	
CHAPTER I. GENERAL PROVISIONS.....	3
第一章 総則	
CHAPTER II. AUTOMOBILE LIABILITY.....	3
第二章 自動車損害賠償責任	
CHAPTER III. AUTOMOBILE LIABILITY INSURANCE AND AUTOMOBILE LIABILITY MUTUAL AID	3
第三章 自動車損害賠償責任保険及び自動車損害賠償責任共済	
Section 1. Compulsory Conclusion of Automobile Liability Insurance Contract or Automobile Liability Mutual Aid Contract.....	3
第一節 自動車損害賠償責任保険契約又は自動車損害賠償責任共済契約の締結強制	
Section 2. Automobile Liability Insurance Contract and Automobile Liability Mutual Aid Contract.....	8
第二節 自動車損害賠償責任保険契約及び自動車損害賠償責任共済契約	
Section 2-2. Designated Dispute Settlement Organizations	16
第二節の二 指定紛争処理機関	
Section 3. Automobile Liability Insurance Business and Automobile Liability Mutual Aid Business	21
第三節 自動車損害賠償責任保険事業及び自動車損害賠償責任共済事業	
Section 4. Automobile Liability Insurance Council.....	32
第四節 自動車損害賠償責任保険審議会	
CHAPTER IV. GOVERNMENT’S AUTOMOBILE LIABILITY COMPENSATION BUSINESS.....	32
第四章 政府の自動車損害賠償保障事業	
CHAPTER V. MISCELLANEOUS PROVISIONS	36
第五章 雑則	
CHAPTER VI. PENAL PROVISIONS.....	38
第六章 罰則	
Supplementary Provisions [Extract]	40
附則 抄	
Supplementary Provisions (Act No. 65, June 13, 2008) [Extract]	42
附則（平成 20 年 6 月 13 日法律第 65 号） 抄	

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT (Cabinet Order No. 286, October 18, 1955).....	43
自動車損害賠償保障法施行令（昭和 30 年 10 月 18 日政令第 286 号）	
ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT (Ordinance of the Ministry of Transport No. 66, December 1, 1955)	61
自動車損害賠償保障法施行規則（昭和 30 年 12 月 1 日運輸省令第 66 号）	
STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC. UNDER AUTOMOBILE LIABILITY INSURANCE, AND PAYMENT OF MUTUAL AID CLAIM, ETC. UNDER AUTOMOBILE LIABILITY MUTUAL AID (Notification of the Financial Services Agency and the Ministry of Land, Infrastructure, Transport and Tourism No. 1, December 21, 2001).....	71
自動車損害賠償責任保険の保険金等及び自動車損害賠償責任共済の共済金等の支払基準 （平成 13 年 12 月 21 日金融庁、国土交通省告示第 1 号）	
POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE (December 1, 1955)	87
自動車損害賠償責任保険普通保険約款（昭和 30 年 12 月 1 日）	
ORDINANCE CONCERNING MEASURES TO ACHIEVE PROPER PAYMENT OF AUTOMOBILE LIABILITY INSURANCE CLAIMS, ETC., AND AUTOMOBILE LIABILITY MUTUAL AID CLAIMS, ETC. (Ordinance of the Cabinet Office and the Ministry of Land, Infrastructure, Transport and Tourism No. 2, December 21, 2001)	97
自動車損害賠償責任保険の保険金等及び自動車損害賠償責任共済の共済金等の支払の 適正化のための措置に関する命令（平成 13 年 12 月 21 日内閣府・国土交通省令第 2 号）	
CABINET ORDER PROVIDING FOR AMOUNTS OF CONTRIBUTIONS, ETC., FOR AUTOMOBILE LIABILITY COMPENSATION BUSINESS (Cabinet Order No. 316, December 1, 1955)	104
自動車損害賠償保障事業賦課金等の金額を定める政令（昭和 30 年 12 月 1 日政令第 316 号）	
RULES FOR AUTOMOBILE LIABILITY COMPENSATION BUSINESS ENTRUSTMENT CONTRACTS (Ordinance of the Ministry of Transport No. 3, February 6, 1956).....	106
自動車損害賠償保障事業業務委託契約準則（昭和 31 年 2 月 6 日運輸省令第 3 号）	
ORDER ON THE ACCUMULATION, ETC., OF RESERVE FUNDS PROVIDED IN PARAGRAPH 1, ARTICLE 28-3 OF THE AUTOMOBILE LIABILITY SECURITY ACT (Ordinance of the Ministry of Finance, the Ministry of Health and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of International Trade and Industry, and the Ministry of Transport No. 1, March 13, 1997)	109
自動車損害賠償保障法第二十八条の三第一項に規定する準備金の積立て等に関する命令 （平成 9 年 3 月 13 日大蔵省・厚生省・農林水産省・通商産業省・運輸省令第 1 号）	

CABINET OFFICE ORDINANCE CONCERNING REPORTS TO NON-LIFE INSURANCE RATING ORGANIZATIONS BY INSURANCE COMPANIES AND MUTUAL AID COOPERATIVES PROVIDED IN PARAGRAPH 1, ARTICLE 29-2 OF THE AUTOMOBILE LIABILITY SECURITY ACT (Ordinance of the Ministry of Finance No. 61, November 29, 1996).....	114
自動車損害賠償保障法第二十九条の二第一項に規定する保険会社及び組合の料率団体 に対する報告に関する内閣府令（平成 8 年 11 月 29 日大蔵省令第 61 号）	
SPECIFICATION OF NON-LIFE INSURANCE RATING ORGANIZATION DESIGNATED BY THE MINISTER OF FINANCE AS AN ORGANIZATION THAT CALCULATES LIABILITY INSURANCE PREMIUM RATES BASED ON THE PROVISIONS OF PARAGRAPH 1, ARTICLE 29-2 OF THE AUTOMOBILE LIABILITY SECURITY ACT (Notification of the Ministry of Finance No. 337, November 29, 1996)	128
自動車損害賠償保障法第二十九条の二第一項の規定に基づく責任保険の保険料率の 算出を行うものとして大蔵大臣の指定する損害保険料率算出団体を定める件 （平成 8 年 11 月 29 日大蔵省告示第 337 号）	
AUTOMOBILE LIABILITY INSURANCE COUNCIL ORDER (Cabinet Order No. 264, June 7, 2000)	129
自動車損害賠償責任保険審議会令（平成 12 年 6 月 7 日政令第 264 号）	
ACT ON SPECIAL ACCOUNTS [Excerpt] (Act No. 23 of March 31, 2007).....	131
特別会計に関する法律（抜萃）（平成 19 年 3 月 31 日法律第 23 号）	
ORDER FOR ENFORCEMENT OF THE ACT ON SPECIAL ACCOUNTS [Excerpt] (Cabinet Order No. 124 of March 31, 2007).....	139
特別会計に関する法律施行令（抜萃）（平成 19 年 3 月 31 日政令第 124 号）	

The acts, orders, ordinances, notifications and policy conditions contained herein remained in effect up to May 2, 2011.

この冊子に掲載されている法律・政令・省令・告示・約款は、2011 年 5 月 2 日現在公布されているものです。

AUTOMOBILE LIABILITY SECURITY ACT

(Act No. 97, July 29, 1955)

History of Amendment

No. 94, May 4, 1956	No. 107, June 18, 2004
No. 148, June 12, 1956	No.87, July 26, 2005
No. 148, April 20, 1959	No. 106, November 2, 2005
No. 106, May 4, 1962	No.50, June 2, 2006
No. 161, September 15, 1962	No. 75, June 15, 2006
No. 109, June 18, 1964	No. 23, March 31, 2007
No. 90, June 29, 1966	No. 47, May 16, 2007
No. 73, July 20, 1967	No.57, June 6, 2008
No. 68, August 1, 1969	No. 65, June 13, 2008
No. 46, May 4, 1970	
No. 62, June 12, 1972	
No. 78, December 2, 1983	
No. 25, May 8, 1984	
No. 46, May 8, 1986	
No. 22, April 10, 1989	
No. 82, December 19, 1989	
No. 15, March 30, 1991	
No. 87, June 26, 1992	
No. 8, March 31, 1993	
No. 86, July 4, 1994	
No. 106, June 7, 1995	
No. 137, December 20, 1995	
No. 94, June 21, 1996	
No. 59, May 23, 1997	
No. 102, June 20, 1997	
No. 121, December 12, 1997	
No. 74, May 27, 1998	
No. 106, June 15, 1998	
No. 107, June 15, 1998	
No.131, October 16, 1998	
No. 87, July 16, 1999	
No. 102, July 16, 1999	
No.160, December 22, 1999	
No. 83, June 29, 2001	
No. 45, May 29, 2002	
No. 183, December 18, 2002	

AUTOMOBILE LIABILITY SECURITY ACT

CONTENTS

CHAPTER I. GENERAL PROVISIONS

CHAPTER II. AUTOMOBILE LIABILITY

CHAPTER III. AUTOMOBILE LIABILITY INSURANCE AND AUTOMOBILE LIABILITY MUTUAL AID

Section 1. Compulsory Conclusion of Automobile Liability
Insurance Contract or Automobile Liability Mutual Aid Contract

Section 2. Automobile Liability Insurance Contract and
Automobile Liability Mutual Aid Contract

Section 2-2. Designated Dispute Settlement Organizations

Section 3. Automobile Liability Insurance Business and
Automobile Liability Mutual Aid Business

Section 4. Automobile Liability Insurance Council

CHAPTER IV. GOVERNMENT'S AUTOMOBILE LIABILITY COMPENSATION BUSINESS

CHAPTER V. MISCELLANEOUS PROVISIONS

CHAPTER VI. PENAL PROVISIONS

Supplementary Provisions

CHAPTER I. GENERAL PROVISIONS

(Purposes of this Act)

Article 1. This Act, by establishing a system for securing compensation for damage in the case of death of or bodily injury to person caused by the operation of automobile, aims to protect the victims and also to contribute to sound development of transportation by automobiles.

(Definitions)

Article 2. The term “automobile” used in this Act means any automobile as stipulated in paragraph 2, Article 2 of the Road Vehicles Act (Act No. 185, 1951) (excluding small-size special purpose automobile manufactured for the purpose of use in agricultural work) and motorcycle as stipulated in paragraph 3, the same Article.

2. The term “operation” used in this Act means to use an automobile in accordance with the proper use of the devices thereof, whether or not it carries persons or goods.
3. The term “owner” used in this Act means the owner of an automobile or any other person entitled to use it, and who operates such automobile for his /her benefit.
4. The term “driver” used in this Act means a person who drives or assists in driving an automobile for another person's benefit.

CHAPTER II. AUTOMOBILE LIABILITY

(Automobile liability)

Article 3. If a person operating an automobile for his/her benefit causes death of or bodily injury to any other person through such operation, such person shall be liable to compensate for damage to the victim. However, he/she shall not be liable if he/she proves that neither he/she nor the driver failed to exercise due diligence in operating the automobile and that there was an intention or negligence on the part of the victim or a third party other than the driver and that there was no structural defect or functional disorder in the automobile.

(Application of the Civil Code)

Article 4. Besides the provision of the preceding Article, the provisions of the Civil Code (Act No. 89, 1896) shall be applied to the liability for compensation of a person who operates an automobile for his/her benefit.

CHAPTER III. AUTOMOBILE LIABILITY INSURANCE AND AUTOMOBILE LIABILITY MUTUAL AID

Section 1. Compulsory Conclusion of Automobile Liability Insurance Contract or Automobile Liability Mutual Aid Contract

(Compulsory conclusion of contract for the liability insurance or liability mutual aid)

Article 5. No automobile shall be operated unless a contract for automobile liability insurance (hereinafter referred to as “liability insurance”) or a contract for automobile liability

AUTOMOBILE LIABILITY SECURITY ACT

mutual aid (hereinafter referred to as “liability mutual aid”) as provided in this Act has been concluded.

(Insurer and insurer of mutual aid liability)

Article 6. The insurer of the liability insurance (hereinafter referred to as “insurance company”) shall be a non-life insurance company as stipulated in paragraph 4, Article 2 of the Insurance Business Act (Act No. 105, 1995) or a foreign non-life insurance company, etc. as stipulated in paragraph 9, the same Article who underwrites the liability insurance.

2. The insurer of mutual aid liability for liability mutual aid shall be a cooperative society (hereinafter referred to as “cooperative”) as set forth in each of the following items:

- (1) an agricultural cooperative or a federation of agricultural cooperatives (hereinafter referred to as “agricultural cooperatives, etc.”) engaged in the liability mutual aid business under the Agricultural Cooperatives Association Act (Act No. 132, 1947)
- (2) a consumer cooperative or a federation of consumer cooperatives (hereinafter referred to as “consumer cooperatives, etc.”) engaged in the liability mutual aid business under the Consumer Livelihood Cooperative Association Act (Act No. 200, 1948)
- (3) a common facility cooperative or a federation of common facility cooperatives (hereinafter referred to as “common facility cooperatives, etc.”) engaged in the liability of mutual aid business under the Act on the Cooperative Associations of Small and Medium Enterprises, etc. (Act No.. 181, 1949)

(Certificate of automobile liability insurance)

Article 7. The insurance company shall issue a certificate of automobile liability insurance to the policyholder on the automobile if the premium is paid.

2. If there is any change in the matters described in the said certificate of automobile liability insurance, the policyholder shall have the insurance company enter such changes on the certificate of automobile liability insurance.
3. If the insurance company receives a request for an entry pursuant to the provision of the preceding paragraph, such insurance company shall make the entry without delay. However, it shall not be necessary in the case where, in spite of having made a claim pursuant to the provision of paragraphs 3 or 4, Article 22, the payment has not been made.
4. If the certificate of automobile liability insurance is lost or damaged or becomes indiscernible, the policyholder may require the insurance company to reissue it.
5. Matters to be described and other details concerning the certificate of automobile liability insurance shall be provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
6. The provision of Article 6 of the Insurance Act (Act No. 56, 2008) shall not be applied to the liability insurance.

(Maintaining the certificate of automobile liability insurance)

Article 8. No automobile shall be operated unless the certificate of automobile liability insurance (the certificate of automobile liability insurance so entered in the case of the certificate of automobile liability insurance to be entered the changed matter pursuant to

the provision of paragraph 2, the preceding Article; the same shall be applied in the following Article) is kept therein.

(Presentation of the certificate of automobile liability insurance)

Article 9. A person who intends to receive any of the dispositions as stipulated in Article 4, paragraph 1 of Article 34, paragraph 3 of Article 36-2 , paragraph 1 of Article 60 , paragraph 2 of Article 62 (including cases where the provision shall be applied mutatis mutandis in paragraph 3, Article 63 and paragraph 4, Article 67), paragraph 1 of Article 67 (only the part related to the change in the user of an automobile), paragraph 4 of Article 71 or Article 97-3 of the Road Vehicles Act shall present the certificate of automobile liability insurance to the competent administrative agencies concerned (or the Light Automobile Inspection Organization if the provision of Article 74-4 of the same Act are applied; the same shall be applied in the following paragraph to paragraph 5). However, in the case where a safety regulation conforming certificate is presented pursuant to the provision of paragraph 8, Article 94-5 of the same Act, if the person intends to receive a disposition as stipulated in paragraph 2, Article 62 of the same Act, such person may, in place of presentation of the certificate of automobile liability insurance, submit a copy of the certificate of automobile liability insurance prepared according to the method as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

2. In the case of the main text of the preceding paragraph, a person who intends to receive any of the dispositions provided in the main text of said paragraph may, as provided in the Cabinet Order, by entrusting the insurance company, provide the items that should be described in the said certificate of automobile liability insurance by electromagnetic means (meaning means utilizing an electronic information processing system or other means utilizing information and communications technology as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism) to registration information processing organizations provided in paragraph 4, Article 7 of the Road Vehicles Act (referred to as “registration information processing organizations” in the following paragraph and paragraph 4).
3. If the items that should be described in the certificate of automobile liability insurance are provided to registration information processing organizations pursuant to the provisions of the preceding paragraph, a person who intends to receive any of the dispositions provided in the main text of paragraph 1 shall be considered to have presented the said certificate of automobile liability insurance to the competent administrative agencies.
4. In the case of the preceding paragraph, the competent administrative agencies shall refer necessary matters to registration information processing organizations as stipulated in the provisions of Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
5. The competent administrative agencies concerned shall not exercise any of the dispositions mentioned in paragraph 1 unless the certificate of automobile liability insurance is presented or a copy thereof is submitted. The same shall be applied in the case where, with respect to automobile other than light automobile which is not subject to inspection as stipulated in paragraph 1, Article 58 of the Road Transport Vehicle Act, the

AUTOMOBILE LIABILITY SECURITY ACT

insurance period described in the certificate of automobile liability insurance or a copy thereof presented or submitted does not cover the whole period up to the expiration date of the effective period to be described in the motor vehicle inspection certificate concerned or of the effective period of permission for temporary operation or of a written permission for operation for forwarding the automobile to a certain location.

6. A person who intends to apply for issue of a safety regulations conforming certificate and a safety regulations conforming sticker pursuant to the provision of paragraph 1, Article 94-5 of the Road Transport Vehicle Act shall present the certificate of automobile liability insurance to a designated automobile maintenance business operator under paragraph 1, Article 94-3 of the same Act.
7. If the certificate of automobile liability insurance is not presented pursuant to the provision of the preceding paragraph or if the insurance period described in the presented certificate of automobile liability insurance does not overlap the entire period up to the expiration date of the effective period of the motor vehicle inspection certificate as stipulated in paragraph 1, Article 61 of the Road Transport Vehicle Act to be described therein in the case where the safety regulations conforming certificate was presented pursuant to the provision of paragraph 8, Article 94-5 of the same Act, notwithstanding the provision of paragraph 1, Article 94-5 of the same Act, the designated automobile maintenance business operator shall not issue the safety regulations conforming certificate and the safety regulations conforming sticker.

(Insurance sticker)

Article 9-2. If the insurance company has issued the certificate of automobile liability insurance pursuant to the provision of paragraph 1, Article 7 on a light automobile which is not subject to inspection, a motorcycle or an automobile registered in the Contracting State (meaning an automobile registered in the Contracting State as stipulated in paragraph 2, Article 2 of the Act concerning Special Treatment, etc. to the Road Transport Vehicle Act regarding the Enforcement of the Convention on Road Traffic (Act No. 109, 1964); the same shall be applied hereinafter), the insurance company shall issue an insurance sticker to the said policyholder.

2. On the insurance sticker, the expiration date of the insurance period shall be indicated as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
3. The effective period of the insurance sticker shall coincide with that of the insurance period.
4. In the case where the insurance sticker is lost or damaged or becomes indiscernible or in other cases as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism, the policyholder may require the insurance company to reissue it.
5. The form of and other details concerning the insurance sticker shall be provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

Article 9-3. A light automobile which is not subject to inspection, a motorcycle or an automobile registered in the Contracting State shall not be operated unless an insurance

AUTOMOBILE LIABILITY SECURITY ACT

sticker is displayed as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

2. The insurance sticker shall not be displayed on a light automobile which is not subject to inspection, a motorcycle or an automobile registered in the Contracting State other than the said light automobile not subject to inspection, the said motorcycle or the said automobile registered in the Contracting State.
3. The insurance sticker, the effective period of which has expired, shall not be displayed on a light automobile which is not subject to inspection, a motorcycle or an automobile registered in the Contracting State.

(Certificate of automobile liability mutual aid and mutual aid sticker)

Article 9-4. The provisions of Article 7 and Article 9-2 shall be applied mutatis mutandis to the liability mutual aid. In this case, “insurance company” shall be read as “cooperative,” “premium” as “mutual aid premium,” “policyholder” as “policyholder of mutual aid,” “certificate of automobile liability insurance,” as “certificate of automobile liability mutual aid,” “insurance sticker” as “mutual aid sticker,” “insurance period” as “mutual aid period” in these provisions, and “paragraph 3 or paragraph 4, Article 22” as “paragraph 3 or paragraph 4, Article 22 which shall be applied mutatis mutandis in paragraph 1, Article 23-3” in paragraph 3, Article 7, “liability insurance” as “liability mutual aid” in paragraph 6, the same Article, and “paragraph 1, Article 7” as “paragraph 1, Article 7 which shall be applied mutatis mutandis in Article 9-4” in paragraph 1, Article 9-2.

Article 9-5. With respect to application of the provisions of Article 8 and Article 9 related to automobiles for which a contract of liability mutual aid is concluded, in Article 8 (including the title), the title of Article 9, and paragraph 1 through paragraph 3 and paragraph 5 through paragraph 7, the same Article, “certificate of automobile liability insurance” shall be read as “certificate of automobile liability mutual aid”; in Article 8, “paragraph 2, the preceding Article” as “paragraph 2, Article 7 which shall be applied mutatis mutandis in Article 9-4”; in paragraph 2, Article 9, “insurance company” as “cooperative”; in paragraph 5 and paragraph 7, the same Article, “insurance period” as “mutual aid period.”

2. With respect to application of the provision of paragraph 1, Article 9-3 related to a light automobile which is not subject to inspection, a motorcycle and an automobile registered in the Contracting State for which a contract of liability mutual aid is concluded, “insurance sticker” in the same paragraph shall be read as “mutual aid sticker.”
3. The provisions of paragraph 2 and paragraph 3, Article 9-3 shall be applied mutatis mutandis with respect to the mutual aid sticker.

(Exceptions to application)

Article 10. The provisions of Article 5 and of Article 7 to the preceding Article shall not be applied to automobiles operated by the State or other persons as provided in the Cabinet Orders for business or use as provided in the Cabinet Orders and automobiles operated solely in places other than roads (meaning as defined in the Road Act (Act No. 180, 1952))

AUTOMOBILE LIABILITY SECURITY ACT

and motor roads and other places for public traffic as defined in the Road Transportation Act (Act No. 183, 1951); the same shall be applied hereinafter).

(Insurance/mutual aid exempt sticker)

Article 10-2. The Minister of Land, Infrastructure, Transport and Tourism shall, as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism, issue an insurance/mutual aid exempt sticker to the owner of a light automobile which is not subject to inspection or a motorcycle to which the provision of the preceding Article shall be applied (excluding those which are provided in the Cabinet Order and operated solely in places other than roads).

2. The effective period of the insurance/mutual aid exempt sticker shall be provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
3. A light automobile which is not subject to inspection and a motorcycle as stipulated in paragraph 1 shall not be operated unless an insurance/mutual aid exempt sticker is displayed as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
4. The provisions of paragraph 4 and paragraph 5, Article 9-2 and paragraph 2 and paragraph 3, Article 9-3 shall be applied mutatis mutandis to insurance/mutual aid exempt sticker.

Section 2. Automobile Liability Insurance Contract and Automobile Liability Mutual Aid Contract

(Liability insurance contract and liability mutual aid contract)

Article 11. The liability insurance contract shall become effective through an agreement whereby the insurance company agrees to indemnify the owner for damage and the driver for damage if he/she assumed the liability to the victim in the case where the owner becomes liable pursuant to the provision of Article 3, and whereby the policyholder agrees to pay an premium to the insurance company.

2. The liability mutual aid contract shall become effective through an agreement whereby the cooperative agrees to indemnify the owner for damage and the driver for damage if he/she assumed the liability for compensation to the victim in the case where the owner becomes liable to compensate for damage pursuant to the provision of Article 3, and whereby the policyholder of mutual aid agrees to pay a mutual aid premium to the cooperative.

Article 12. A liability insurance contract shall be concluded on each automobile separately.

(Limit of insurance)

Article 13. The limit of insurance shall be provided in the Cabinet Order.

2. In the case where the Cabinet Order is enacted or amended pursuant to the provision of the preceding paragraph, measures necessary for changing the current limit of insurance on automobiles at the time of enforcement of the Cabinet Order to the limit of insurance as provided in the amended Cabinet Order and interim measures incidental to the enactment or amendment may be provided in the Cabinet Order.

(Exemption)

Article 14. The insurance company shall, except for the cases as stipulated in Article 82-3, be exempted from liability for indemnification only for damage caused by malicious intent of the policyholder or the insured.

(Claim for insurance)

Article 15. The insured may make a claim for payment against the insurance company to the extent of the amount of compensation for damage paid by him/her to the victim.

(Claim for the amount of compensation for damage against the insurance company)

Article 16. If the owner has become liable to compensate for damage pursuant to the provision of Article 3, the victim may, as provided in the Cabinet Order, make a claim for the amount of compensation for damage against the insurance company to the extent of the limit of insurance.

2. In the case where the insured has compensated the victim for damage, if the insurance company has indemnified the insured for such damage, such insurance company shall, to the extent of the amount indemnified by it, be exempted from its obligation to make payment under the preceding paragraph.
3. If the insurance company has paid the victim the amount of compensation for damage pursuant to the provision of paragraph 1, such insurance company shall be deemed to have indemnified the insured for his/her damage under the liability insurance contract, except for the case where the damage was caused by malicious intent of the policyholder or the insured.
4. In the case where the damage was caused by the malicious intent of the policyholder or the insured, if the insurance company has paid the victim the amount of compensation for damage pursuant to the provision of paragraph 1, such insurance company may make a claim for reparation for the amount of damage paid by it to the Government.

(Limit of insurance claim related to losses, etc. due to loss of earning)

Article 16-2. Out of the insurance claim to be paid by the insurance company to the insured or the amount of compensation for damage to be paid by it to the victim pursuant to the provision of paragraph 1, the preceding Article (hereinafter referred to as “insurance claim, etc.” excluding paragraph 1, Article 28-4), the part related to losses due to the victim’s inability to work by reason of medical care or any other losses as provided in the Cabinet Order shall be limited to the amount as provided in the Cabinet Order.

(Standards for payment)

Article 16-3. If the insurance company pays an insurance claim, etc., it shall make such payment in accordance with the standards for payment as provided by the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister for each separate death, permanent disabilities and injury (hereinafter referred to as “standards for payment”).

2. In the case where the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister provide the standards for payment pursuant to the provisions of the

AUTOMOBILE LIABILITY SECURITY ACT

preceding paragraph, they shall provide for such standards for payment by taking into consideration the need to ensure fair and prompt payment. The same shall be applied in the case of making changes to the standards for payment.

(Issuance of written statement)

Article 16-4. If the insurance company has received a claim for payment, etc., it shall issue without delay to the insured or the victim making such claim a written statement that describes a summary of the standards for payment and any other matters as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

2. If the insurance company pays insurance claim, etc., it shall issue without delay to the insured or the victim making the claim pursuant to the provision of preceding paragraph a written statement that describes the amount of the insurance claim, etc. paid, the grade of the permanent disabilities comes to fall, the reasons for determining such grade comes to fall and all other material facts concerning the insurance claim payment, etc. as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.
3. If the insurance company determines that it will not pay an insurance claim, etc. because it has evidence of a matter pursuant to the provision of Article 3 or for other reasons, it shall issue without delay to the insured or the victim making the claim pursuant to the provision of paragraph 1 a written statement describing the reasons for its decision of nonpayment, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.
4. As an alternative to issuance of a written statement pursuant to the provisions of the preceding three paragraphs, as provided in the Cabinet Order, the insurance company may provide, subject to the acceptance of the insured or the victim, the items that should be described in said written statement by means utilizing an electronic information processing system or other means utilizing information and communications technology as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office. In such cases, the insurance company shall be considered to have issued the required written statement.

(Explanation, etc. by written statement)

Article 16-5. After having issued a written statement pursuant to the provision of paragraph 2 or paragraph 3, the preceding Article, if the insurance company is requested by the insured or the victim to give an explanation by written statement, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, regarding all material facts (excluding matters as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office in paragraph 2, the same Article) concerning payment of an insurance claim, etc. as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, or regarding

the details of the reason as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office for its decision of nonpayment as stipulated in paragraph 3, the same Article, the insurance company must explain the matters requested by written statement to the person who requested the explanation, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, except in the cases as stipulated in the first sentence of the following paragraph. In the case where the insurance company has the consent of the person who requested the explanation, however, the insurance company may give an explanation by means other than a written statement.

2. The insurance company shall be able not to give an explanation concerning all or part of the matters requested for explanation if there is a fear to unduly harm the rights and benefits of a third party, or if the insurance company has other due reasons, in the case where the insurance company has received a request for an explanation pursuant to the provision of the preceding paragraph. In this case, the insurance company shall issue a written statement, describing that it will not give an explanation and its reasons, to the party that requested the explanation.
3. Issuance of a written statement pursuant to the provision of preceding paragraph or an explanation pursuant to the provision of paragraph 1 (referred to in the following paragraph as “explanation, etc.”) shall be made within 30 days from the date that the insurance company is requested to give an explanation pursuant to the provision of paragraph 1.
4. If the insurance company is unable to give an explanation, etc. within the period as stipulated in the preceding paragraph because of clerical processing difficulties or for other due reasons, it shall, within the period as stipulated in the preceding paragraph, notify the party that requested the explanation pursuant to the provision of paragraph 1 by written statement of reason why it is unable to give an explanation, etc. within the period as stipulated in the preceding paragraph and the due date by which the it shall give an explanation, etc.
5. As an alternative to an explanation by written statement pursuant to the provision of paragraph 1, issuance of a written statement pursuant to the provision of paragraph 2 or notification by written statement pursuant to the provision of the preceding paragraph (hereinafter referred to as “explanation, etc. by written statement”), as provided in the Cabinet Order, the insurance company may, with the consent of the insured or the victim, provide the items that should be described in said written statement by means utilizing an electronic information processing system or other means utilizing information and communications technology, as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office. In such cases, the insurance company shall be deemed to have issued an explanation, etc. by written statement.

(Filing for payment, etc.)

Article 16-6. With regard to deaths or other damages provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism as matters of special importance to ensure

AUTOMOBILE LIABILITY SECURITY ACT

proper insurance claim payment etc., the insurance company shall file with the Minister of Land, Infrastructure, Transport and Tourism without delay if it pays an insurance claim, etc. or if it issues a written statement pursuant to the provision of paragraph 3, Article 16-4, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

(Reporting to the Minister of Land, Infrastructure, Transport and Tourism)

Article 16-7. If facts applicable to any of the following matters exist concerning insurance claim payment, etc. by the insurance company or the procedures related to payment, the insured or the victim may report those facts to the Minister of Land, Infrastructure, Transport and Tourism:

- (1) in the case the insurance company has not paid an insurance claim, etc. in accordance with the standards for payment;
- (2) in the case the insurance company has not issued a written statement pursuant to the provision of paragraph 1 through paragraph 3, Article 16-4; or
- (3) in the case the insurance company has not given an explanation pursuant to the provision of paragraph 1, Article 16-5 or has not issued a written statement pursuant to the provision of paragraph 2, Article 16-5, or has not provided notification pursuant to the provision of paragraph 4, Article 16-5.

(Instructions, etc.)

Article 16-8. In the case where the Minister of Land, Infrastructure, Transport and Tourism receives a filing pursuant to the provision of Article 16-6 or a report pursuant to the provision of the preceding Article or in other situations, if the Minister determines that the payment or procedures related to insurance claim, etc. by the insurance company come under any of paragraphs of the same Articles, the Minister shall issue instructions to the insurance company to make payment in accordance with the standards for payment, issue a written statement pursuant to the provision of paragraphs 1 through 3, Article 16-4 or an explanation pursuant to the provision of paragraph 1, Article 16-5, or issue a written statement pursuant to the provision of paragraph 2, Article 16-5 or a notification pursuant to the provision of paragraph 4, Article 16-5.

2. The Minister of Land, Infrastructure, Transport and Tourism shall notify the Prime Minister without delay if the Minister has given instructions as stipulated in the preceding paragraph.
3. If the insurance company has received instructions as stipulated in paragraph 1 and has not acted according to those instructions without due reasons, the Minister of Land, Infrastructure, Transport and Tourism may announce this information publicly.
4. After the insurance company has received instructions as stipulated in paragraph 1 and the Minister of Land, Infrastructure, Transport and Tourism has announced publicly as stipulated in the preceding paragraph that the insurance company has not followed those instructions, if the insurance company shall not take measures to follow those instructions without due reasons, the Minister of Land, Infrastructure, Transport and Tourism may issue an order to the insurance company to take measures to follow those instructions.

5. The Minister of Land, Infrastructure, Transport and Tourism shall obtain the consent of the Prime Minister in advance if the Minister decides to make a public announcement as stipulated in paragraph 3 or issue an ordinance as stipulated in the preceding paragraph.

(The period of payment of compensation for damage pursuant to the provision of paragraph 1, Article 16)

Article 16-9. After the claims are made for payment of compensation for damage pursuant to the provision of paragraph 1, Article 16, until the period necessary to confirm the accident caused by operation of an automobile related to said claims and the amount of compensation for damage lapses, the insurance company shall not be liable for the delay of the payment.

2. In the case where the insurance company makes necessary investigation to confirm the matters stipulated in the preceding paragraph, if the victim prevents said investigation without due reasons, or does not respond to it, the insurance company shall not be liable for the delay of the payment of the compensation for damage caused by those acts.

(Provisional payment to the victim)

Article 17. If the owner has caused death of or bodily injury to any other person by operation of an automobile covered by the liability insurance contract, the victim may, as provided in the Cabinet Order, claim payment against the insurance company of the amount provided in the Cabinet Order as a provisional payment of the amount of compensation for damage to be paid pursuant to the provision of paragraph 1, Article 16.

2. If the insurance company has received a claim under the preceding paragraph, such insurance company shall pay the amount claimed to the victim without delay.
3. If the amount of the provisional payment under paragraph 1 exceeded the amount of compensation for damage to be paid, the insurance company may make a claim for refund of the amount of such excess.
4. In the case where the owner is not liable to compensate for any damage, if the insurance company has paid a provisional payment under paragraph 1, such insurance company may ask the Government to repair for the amount paid provisionally.

(Prohibition of attachment)

Article 18. No right of claim pursuant to the provision of paragraph 1, Article 16 and paragraph 1, the preceding Article shall be attached.

(Prescription)

Article 19. The right of claim pursuant to the provision of paragraph 1, Article 16 and paragraph 1, Article 17 shall be extinct due to prescription after the lapse of three years.

(Material matters concerning risks)

Article 20. In so far as the liability insurance contract is concerned, the material matters as stipulated in Article 4 of the Insurance Act shall be as follows:

- (1) the automobile registration number or the vehicle number pursuant to the provisions of the Road Transport Vehicle Act, the identification plate number as stipulated in paragraph 3, Article 446 of the Local Tax Act (Act No. 226 of 1950) (including the

AUTOMOBILE LIABILITY SECURITY ACT

case where the provisions shall be applied mutatis mutandis in paragraph 2, Article 1 of the same Act) or the registration number pursuant to the provisions of the Convention on Road Traffic (in case where there is no such number, the chassis number); and

- (2) category of automobile as provided in the Cabinet Order.

(Cancellation, etc. of the liability insurance contract)

Article 20-2. The parties to the liability insurance contract may cancel the liability insurance contract only in the cases:

- (1) where the automobile has come to fall under any of the automobiles as stipulated in Article 10;
 - (2) where the case falls pursuant to the provisions of paragraph 1, Article 28 of the Insurance Act;
 - (3) where another liability insurance contract or liability mutual aid contract has been concluded on the automobile, and their expiration date of the insurance period or the mutual aid period is same as or later than that of the liability insurance contract concerned; or
 - (4) where as other cases provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.
2. The parties to the liability insurance contract shall neither cancel the contract by mutual agreement nor attach any condition subsequent to the contract.

(Effect of cancellation of the contract for reason of breach of the duty of disclosure)

Article 21. If the insurance company has canceled a liability insurance contract pursuant to the provisions of paragraph 1, Article 28 of the Insurance Act, such cancellation shall become effective after the lapse of seven days counting from the date on which the policyholder receives the notice of cancellation.

2. Notwithstanding the provisions of item (1), paragraph 2, Article 31 of the Insurance Act, in the case where an insurance accident (meaning any insurance accident as stipulated in paragraph 1, Article 5 of the same Act; the same shall be applied in the paragraph 3, the following Article) has arisen before the cancellation pursuant to the preceding paragraph becomes effective, the insurance company shall be liable to compensate for damage. In this case, if the insurance company has compensated for damage, such insurance company may claim against the policyholder to pay back the amount compensated by it.

(Change of contract due to increase or decrease of risks)

Article 22. If any risk increases or decreases during the insurance period, the liability insurance contract shall be deemed to have been changed to a contract which covers new risks.

2. If the policyholder or the insured is aware of an increase of risks during the insurance period, he/she shall notify thereof to the insurance company without delay.
3. In the case where an insurance accident has arisen after increase of risks during the insurance period and the insurance company has compensated for damage, and if the

policyholder or the insured failed to notify under the preceding paragraph, the insurance company may claim against the policyholder to pay back the amount compensated by it.

4. In the case of paragraph 1, if the risk increases, the insurance company may claim to pay the premium for the amount corresponding to increase from the policyholder as provided in the Cabinet Order.
5. In the case of paragraph 1, if the risk decreases, the policyholder may claim against the insurance company to refund the premium for the amount corresponding to the decrease as provided in the Cabinet Order.

(Application of the Insurance Act)

Article 23. Unless otherwise provided in this Act, the provisions of Chapter 1, 2 (except for Section 5) and 5 of the Insurance Act shall be applied to the liability insurance contract.

(Reports and on-the-spot inspections)

Article 23-2. To the extent of necessity to implement the provisions of Article 11 through Article 23, the Minister of Land, Infrastructure, Transport and Tourism may order insurance companies to provide reports concerning the liability insurance business, or instruct officials to enter the insurance companies' sales offices, business offices or other premises and inspect the conditions of the liability insurance business or examine their books, documents and other things, or to question related persons, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

2. The officials who conduct on-the-spot inspections or question as stipulated in the provision of the preceding paragraph shall carry proof of their identities, and shall show this identification if they are requested by the related persons.
3. The authority to conduct on-the-spot inspections or question pursuant to paragraph 1 shall not be interpreted as authorizing any investigation of criminal activity.

(Application mutatis mutandis of the provisions, etc. concerning the liability insurance contract)

Article 23-3. The provisions of Article 12 through the preceding Article shall be applied mutatis mutandis to the liability mutual aid contract. In such case, in these provisions (except for item (3), paragraph 1, Article 20-2), the words "liability insurance contract" shall be read as "liability mutual aid contract," "liability insurance" as "liability mutual aid," "limit of insurance claim" as "limit of mutual aid claim", "insurance company" as "cooperative," "policyholder" as "policyholder of mutual aid," "insured" as "insured of mutual aid," "insurance claim" as "mutual aid claim," "insurance claim, etc." as "mutual aid claim, etc.," "insurance period" as "mutual aid period," "premium" as "mutual aid premium"; in Article 16-2, "paragraph 1, the preceding Article" as "paragraph 1, Article 16 which shall be applied mutatis mutandis in paragraph 1, Article 23-3"; "excluding paragraph 1, Article 28-4, referred to below" as "referred to below"; in paragraph 1, Article 16-5, "paragraph 2 or paragraph 3, the preceding Article" as "paragraph 2 or paragraph 3, Article 16-4 which shall be applied mutatis mutandis in paragraph 1, Article 23-3"; in Article 16-6, "paragraph 3, Article 16-4" as "paragraph 3, Article 16-4 which shall be applied mutatis mutandis in paragraph 1, Article 23-3"; in item (2) of Article 16-7

and in paragraph 1, Article 16-8, “paragraphs 1 through 3, Article 16-4” as “paragraphs 1 through 3, Article 16-4 which shall be applied mutatis mutandis in paragraph 1, Article 23-3”; in item (3) of Article 16-7 and in paragraph 1, Article 16-8, “paragraph 1, Article 16-5” as “paragraph 1, Article 16-5 which shall be applied mutatis mutandis in paragraph 1, Article 23-3”; in paragraph 1, Article 16-8, “Article 16-6” as “Article 16-6 which shall be applied mutatis mutandis in paragraph 1, Article 23-3,” “the preceding Article” as “Article 16-7 which shall be applied mutatis mutandis in paragraph 1, Article 23-3”; in paragraph 2 and paragraph 5, Article 16-8, “the Prime Minister” as “the administrative agency (which shall mean the administrative agency as stipulated in paragraph 1, Article 27 in the case where services are provided by agricultural cooperatives, etc., the administrative agency as stipulated in paragraph 1, Article 27 which shall be applied mutatis mutandis in an alternative reading of paragraph 1, Article 27-2 in the case where services are provided by consumer cooperatives, etc., and the administrative agency as stipulated in paragraph 1, Article 27 which shall be applied mutatis mutandis in an alternative reading of paragraph 2, Article 27-2 in the case where services are provided by common facility cooperatives, etc)”; in paragraph 1, Article 17, “paragraph 1, Article 16” as “paragraph 1, Article 16 which shall be applied mutatis mutandis in paragraph 1, Article 23-3”; in Article 18, “paragraph 1, Article 16 and paragraph 1, the preceding Article” and in Article 19, “paragraph 1, Article 16 and paragraph 1, Article 17” as “paragraph 1, Article 16 which shall be applied mutatis mutandis in paragraph 1, Article 23-3 and paragraph 1, Article 17”; in item (3), paragraph 1, Article 20-2, “the insurance period of liability insurance contract” as “the mutual aid period of liability mutual aid contract.”

2. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister shall provide for or change the standards for payment as stipulated in paragraph 1, Article 16-3 which shall be applied mutatis mutandis in the preceding paragraph and if they enact or amend the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office as stipulated in paragraph 1 and paragraph 5, Article 16-5 which shall be applied mutatis mutandis in the same paragraph and pursuant to Article 16-4 which shall be applied mutatis mutandis in the preceding paragraph, they shall consult beforehand with the Minister of Agriculture, Forestry and Fisheries, Minister of Health, Labour and Welfare and the minister having jurisdiction over the business provided as cooperative member qualifications in articles of association of cooperative societies, etc. (hereafter referred to as “minister with jurisdiction over the business”).

Section 2-2. Designated Dispute Settlement Organizations

(Designation, etc. of designated dispute settlement organizations)

Article 23-5. The Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister may designate as organizations, that submit applications, to engage in dispute settlement activities those general incorporated associations or general incorporated foundations intending to protect victims through the fair and accurate settlement of

disputes involving insurance claim payment, etc. or mutual aid claim payment, etc. and are judged to satisfy the criteria as set forth below concerning the activities as stipulated in paragraph 1, the following Article (hereinafter referred to as “dispute settlement activities.”)

- (1) That a plan concerning employees, procedures for executing dispute settlement activities and other matters related to execution of dispute settlement activities are appropriate to ensure accurate execution of dispute settlement activities.
 - (2) That it possesses a sufficient financial and technical foundation to appropriately implement its plan concerning the execution of dispute settlement activities in the preceding item.
 - (3) That there is no possibility that the composition of officers and employees create obstructions to the fair execution of dispute settlement activities.
 - (4) That, in the case where the organization is engaged in activities other than dispute settlement activities; there is no possibility that executing such activities create obstructions to the fair execution of dispute settlement activities.
 - (5) That, other than as provided in the preceding items, the organization is capable of fairly and accurately executing dispute settlement activities.
2. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister have made a designation pursuant to the provisions of the preceding paragraph (hereinafter referred to as “designation”), they shall publicly disclose the name and address of the designated entity (hereinafter referred to as “designated dispute settlement organization”), the locations of the business offices where it will execute its dispute settlement activities and the date on which it will begin dispute settlement activities.
 3. If a designated dispute settlement organization decides to change its name or address or the location of an office where it executes its dispute settlement activities, it shall file the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister to that effect and the date on which it plans to make the changes no later than two weeks before the date on which it will make the changes.
 4. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister have received the filing pursuant to the provision of the preceding paragraph, they shall publicly disclose the matters related to the filing.
 5. A designated dispute settlement organization shall display at its offices in a location that is easy for the general public to see a notice of its status as a designated dispute settlement organization as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

(Activities)

Article 23-6. A designated dispute settlement organization shall engage in the activities as set forth in the following items:

- (1) to execute dispute mediation (hereinafter referred to as “dispute settlement”) based on an application from the insurance company, the cooperative, the insured, the insured of mutual aid, or the victim who are parties to a dispute concerning insurance

AUTOMOBILE LIABILITY SECURITY ACT

claim payment, etc. or mutual aid claim payment, etc.; and

- (2) to execute activities that are incidental to the activities as set forth in the preceding item.
2. The procedures for the application referred to in item (1) of the preceding paragraph shall be provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

(Dispute settlement members)

Article 23-7. A designated dispute settlement organization shall select at least the number of dispute settlement members as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office among highly principled persons who possess intelligence and sound judgment.

2. If a designated dispute settlement organization engages in dispute settlement, it shall have persons execute the dispute settlement who have been appointed for each case by the head of the designated dispute settlement organization from among the dispute settlement members selected pursuant to the provision of the preceding paragraph. In such case, the head of the designated dispute settlement organization shall not appoint any dispute settlement member to the case when the dispute settlement member has an interest with the parties involved or any circumstances that will prevent fair dispute settlement.
3. One or more of the dispute settlement members who are appointed pursuant to the provision of the preceding paragraph shall be an attorney-at-Act.

(Selection and dismissal of officers, etc.)

Article 23-8. Selection and dismissal of officers of designated dispute settlement organizations engaged in dispute settlement activities (including dispute settlement members; the same shall be applied in the next paragraph and in the next Article,) shall not be effective unless such adoption and dismissal have received approval from the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister.

2. If an officer of a designated dispute settlement organization has violated the dispute settlement activities bylaws approved pursuant to paragraph 1, Article 23-11, or if an officer has engaged in remarkably inappropriate conduct concerning dispute settlement activities, or if a designated dispute settlement organization no longer conforms to the criteria as set forth in item (3) of paragraph 1, Article 23-5 because of the presence of an officer, the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister may order the designated dispute settlement organization to dismiss the officer.

(Duty, etc. to protect confidentiality)

Article 23-9. The officers, employees and former officers and employees of a designated dispute settlement organization shall not disclose any confidential information they have learned in relation to dispute settlement activities, or use such information for their personal gain.

2. Persons who are engaged in dispute settlement activities as officers and employees of a designated dispute settlement organization shall be regarded as employees engaged in

public service as provided in Acts and regulations in the case of applying the Penal Code (Act No. 45 of 1907) and other penal provisions.

(Duty of dispute settlement activities)

Article 23-10. If a designated dispute settlement organization has been requested to provide dispute settlement activities, it shall perform its dispute settlement activities without delay except the case where it has due reasons.

(Dispute settlement activities bylaws)

Article 23-11. A designated dispute settlement organization shall stipulate bylaws concerning its dispute settlement activities (hereinafter referred to as “dispute settlement activities bylaws”) and receive approval from the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister. The same shall be applied if a designated dispute settlement organization intends to change the bylaws.

2. The matters to be provided in the dispute settlement activities bylaws shall be provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.
3. If the dispute settlement activities bylaws approved in paragraph 1 are determined to be unsuitable for the fair and accurate execution of dispute settlement activities, the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister shall order that the dispute settlement activities bylaws to be amended.

(Requests for submission of explanations or materials)

Article 23-12. To the extent of necessity to perform its dispute settlement activities, a designated dispute settlement organization may request for insurance companies or cooperatives to submit materials or explanations in writing or orally.

2. If an insurance company or a cooperative has received a request pursuant to the provision of the preceding paragraph, it shall not reject the request unless it has due reasons.

(Non-disclosure of dispute settlement procedures)

Article 23-13. The dispute settlement procedures performed by a designated dispute settlement organization shall not be disclosed publicly. However, a designated dispute settlement organization may allow parties, whom it deems appropriate, to attend the procedures.

(Business plan, etc.)

Article 23-14. A designated dispute settlement organization shall make a business plan and a budget of each business year regarding its dispute settlement activities as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, and shall have approval from the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister before the beginning of the relevant business year (in the case where a business year falls under a date of designation, receive such approval without delay after the designation.) The same shall be applied if a designated dispute settlement organization intends to change the business plan and annual budget.

AUTOMOBILE LIABILITY SECURITY ACT

2. A designated dispute settlement organization shall make a business report and financial statements of each business year regarding its dispute settlement activities as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, and shall submit these to the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister within three months following the close of the relevant business year.

(Suspension or termination, etc. of activities)

Article 23-15. A designated dispute settlement organization shall not suspend all or part of its dispute settlement activities, or terminate its dispute settlement activities, without receiving the permission of the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister.

2. If the Minister of Land, Infrastructure and Transport and the Prime Minister have permitted the termination of all dispute settlement activities pursuant to the provision of the preceding paragraph, the designation related to that permission shall become invalid.
3. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister permit pursuant to paragraph 1, they shall publicly disclose information to that effect.

(Furnishing, etc. of books)

Article 23-16. A designated dispute settlement organization shall furnish books describing for matters related to dispute settlement activities as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office, and shall retain these books, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

(Reports and on-the-spot inspections)

Article 23-17. To the extent of necessity to ensure the fair and accurate execution of dispute settlement activities, the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister may order designated dispute settlement organizations to provide reports concerning their dispute settlement activities, or instruct official to enter the designated dispute settlement organizations' offices and inspect the conditions of their dispute settlement activities or examine their books, documents and other things, or to question related persons, as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

2. The provisions of paragraph 2 and paragraph 3, Article 23-2 shall be applied mutatis mutandis to the on-the-spot inspections or questions pursuant to the provision of the preceding paragraph.

(Supervisory ordinances)

Article 23-18. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister determine it to be necessary to ensure the fair and accurate execution of dispute settlement activities, they may issue to a designated dispute settlement organization any ordinances necessary for supervision concerning its dispute settlement activities.

(Cancellation, etc. of designation)

Article 23-19. If any of the following items are applicable to a designated dispute settlement organization, the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister may cancel the designation or issue an order to suspend all or part of the organization's dispute settlement activities for a prescribed period of time:

- (1) in the case the organization is determined to no longer conform to the criteria as set forth in each item in paragraph 1, Article 23-5;
 - (2) in the case of a violation of the provisions in paragraph 3 or paragraph 5, Article 23-5, Article 23-7, paragraph 1 of Article 23-8, Article 23-10, Article 23-13, Article 23-14 or paragraph 1, Article 23-15;
 - (3) in the case of a violation of an ordinance pursuant to the provision of paragraph 2, Article 23-8, paragraph 3, Article 23-11 or the preceding Article;
 - (4) in the case the organization has executed its dispute settlement activities in a manner that is not in accordance with the approved dispute settlement activities bylaws in paragraph 1, Article 23-11;
 - (5) in the case the designated dispute settlement organization or its officers have engaged in remarkably inappropriate conduct concerning dispute settlement activities; or
 - (6) in the case the organization has received its designation by inappropriate means.
2. If the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister cancel the designation or suspend all or part of the organization's dispute settlement activities pursuant to the provision of the preceding paragraph, they shall publicly disclose the matters related to the order.

(Provision of information, etc. to a designated dispute settlement organization)

Article 23-20. The Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister shall provide to designated dispute settlement organizations all information and materials necessary for the execution of dispute settlement activities.

(Delegation to the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance)

Article 23-21. In addition to those stipulated in this section, matters necessary concerning designated dispute settlement organizations and dispute settlement activities shall be provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office.

Section 3. Automobile Liability Insurance Business and Automobile Liability Mutual Aid Business

(Obligation to conclude the liability insurance contract and the liability mutual aid contract)

Article 24. Except for the case where there is any due reason as provided in the Cabinet Order, the insurance company shall not refuse to conclude the liability insurance contract.

2. Except for the case as set forth in each of the following items and the case where there is any due reason as provided in the Cabinet Order, the cooperative shall not refuse to conclude the liability mutual aid contract:

AUTOMOBILE LIABILITY SECURITY ACT

- (1) where the cooperative comes to violate the provisions of the proviso of paragraph 17, Article 10 of the Agricultural Cooperative Association Act;
- (2) where the cooperative comes to violate the provisions of paragraph 3, Article 12 of the Consumer Livelihood Cooperative Association Act; or
- (3) where the cooperative comes to violate the provisions of the proviso of paragraph 3, Article 9-2 which shall be applied in the alternative reading of paragraph 9, the same Article of the Act on the Cooperative Associations of Small and Medium Enterprises (including the case where the provisions shall be applied mutatis mutandis in the alternative reading of paragraph 5, Article 9-9).

(Standards for the premium rates and contribution rates)

Article 25. Premium rates of the liability insurance and the contribution rates of the liability mutual aid shall be as lower as possible within the range of compensating reasonable cost under the efficient management.

(Examination, etc. of premium rates)

Article 26. In the case where an application for a license under paragraph 1, Article 3 or paragraph 1, Article 185 of the Insurance Business Act has been filed, if the Prime Minister conducts its examination as to whether such application conforms to the standards as set forth in item (4), paragraph 1, Article 5 of the same Act (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 187 of the same Act; hereinafter the same shall be applied in this paragraph), in respect of the liability insurance, the Prime Minister shall, in addition to the standards as set forth in item (4), paragraph 1, Article 5 of the same Act, examine as to whether such application conforms to the provisions of the preceding Article.

2. The matters related to the liability insurance shall not be included in the matters as provided in the Cabinet Office Ordinance under in paragraph 1, Article 123 of the Insurance Business Act (including the case where the provisions shall be applied mutatis mutandis in Article 207 of the same Act).
3. In the case where an application for approval under paragraph 1, Article 123 of the Insurance Business Act has been made (including the case where the provisions shall be applied mutatis mutandis in Article 207 of the same Act), if the Prime Minister conducts its examination under Article 124 of the same Act (including the case where the provisions shall applied mutatis mutandis in Article 207 of the same Act; hereinafter the same shall be applied in this paragraph), in respect of matters related to the premium rates of the liability insurance, the Prime Minister shall, in addition to the standards as provided in item (2), Article 124 of the same Act, examine as to whether such application conforms to the provisions of the preceding Article.

Article 26-2. With respect to the liability insurance, the provisions of Article 10-2, Article 10-3, paragraph 2 and the second sentence of paragraph 3, Article 10-4, paragraph 4, Article 10-5 and paragraph 1 through paragraph 4, Article 10-6 of the Act concerning Non-life Insurance Rating Organization (Act No.. 193, 1948) shall not be applied.

2. With respect to application of the provisions of paragraph 1 and the first sentence of paragraph 3, Article 10-4 of the Act concerning Non-life Insurance Rating Organization in respect of the liability insurance, in paragraph 1, the same Article, the words “premium rates within a fixed range centering on the standard full rates related to the filing (hereinafter referred to as “range rates” in this Article)” shall be read as “standard full rates”; in the first sentence of paragraph 3, the same Article, “range rates” as “standard full rates” and “to have been approved or to have filed pursuant to the provision of Paragraph 2, the same article” as “to have been approved.”
3. With respect to application of the provisions of paragraph 1 through paragraph 3, Article 10-5 of the Act concerning Non-life Insurance Rating Organization in respect of the liability insurance, in paragraph 1, the same Article, the words “upon lapse of the period as stipulated in paragraph 1 and 2, Article 10-2 on the standard full rates, and, furthermore, upon recognition of the standard full rates conforming to the provision of Article 8” shall be read as “upon recognition of the said standard full rates conforming to the provision of Article 8, and Article 25 of the Automobile Liability Security Act (Act No. 97, 1955)”; in paragraph 2, the same Article, “hearing of opinions and examination of conformability pursuant to the provisions of paragraph 1 or paragraph 2, Article 10-3” as “examination of conformability to the provisions of Article 8, and Article 25 of the Automobile Liability Security Act”; in paragraph 3, the same Article, “upon recognition that the standard full rates do not conform to the provision of Article 8” as “upon recognition that the standard full rates do not conform to the provision of Article 8, or Article 25 of the Automobile Liability Security Act.”

Article 26-3. If the Prime Minister considers that the premium of the liability insurance exceeds the reasonable cost under the efficient management, the Prime Minister may order the insurance company or the non-life insurance rating organization as stipulated in item (3), paragraph 1, Article 2 of the Act concerning Non-life Insurance Rating Organization to change the premium rates of the liability insurance or the standard full rates (referred to as “standard full rates” in Article 28 and Article 29-2) as set forth in item (6), the same paragraph.

(Examination, etc. of the mutual aid rules related to the business of liability mutual aid performed by the agricultural cooperatives, etc.)

Article 27. In the case where the administrative agency (meaning the administrative agency as stipulated in paragraph 1, Article 98 of the Agricultural Cooperative Association Act, including Prefectural Governors who are stipulated to do service belonging to authorities of the Minister of Agriculture, Forestry and Fisheries pursuant to the provision of paragraph 11, the same Article) intends to give its approval of the mutual aid rules in respect of the business of the liability mutual aid pursuant to the provision of paragraph 1, Article 11-7 of the same Act to the agricultural cooperatives, etc. which intends to conduct the business of the liability mutual aid (including the business of the re-mutual aid of the liability mutual aid assumed by a contract of the liability mutual aid (hereinafter referred to as “re-mutual aid”) or the business of the retrocession-mutual aid of the re-mutual aid

AUTOMOBILE LIABILITY SECURITY ACT

assumed by a contract of the re-mutual aid (hereinafter referred to as “retrocession-mutual aid”; hereinafter the same shall be applied)), such agency shall examine as to whether the said agricultural cooperatives, etc. conforms to the standards as set forth in item (1) and item (2), and as to whether those matters related to the method of implementation of the business, the mutual aid contract or the contribution out of those matters as described in the said mutual aid rules conform to the standards as set forth in item (3) of the preceding paragraph.

- (1) That the said agricultural cooperatives, etc. owns the property basis sufficient to soundly and efficiently carry out the business of the liability mutual aid, and an estimated balance of earnings and expenses related to the business of the liability mutual aid is good.
- (2) That the said agricultural cooperatives, etc., in view of its personnel structure etc., is possessed of knowledge and experience to perform the business of the liability mutual aid in an accurate, fair and effective manner, and has sufficient social credibility.
- (3) That matters as described in the liability mutual aid rules conform to the following standards:
 - (a) That there is no possibility that the content of the mutual aid contract is lacking in protection of the policyholder of mutual aid, the insured of mutual aid, the person who should receive the amount of mutual aid claim and other related persons (hereinafter referred to as “policyholder of mutual aid, etc.” in this item.)
 - (b) That, as for the content of the mutual aid contract, such content shall not be unfairly discriminatory against any specified person.
 - (c) That there is no possibility that the content of the liability mutual aid contract promotes or induces any act impairing the public order or the good morals.
 - (d) That rights and obligations of the policyholder of mutual aid, etc. and the contents of the liability mutual aid contract are clearly and plainly provided to the policyholder of mutual aid, etc.
 - (e) That the contribution conforms to the provision of Article 25 and is reasonable and appropriate, and also shall not be unfairly discriminatory against any specified person.
 - (f) Any other standards as provided in the Ministry of Agriculture, Forestry and Fisheries Ordinance.
2. In the case where the administrative agency as stipulated in the preceding paragraph gives its approval on any change of the liability mutual aid rules in respect of the business of the liability mutual aid pursuant to the provisions of paragraph 3, Article 11-7 of the Agricultural Cooperative Association Act to any agricultural cooperatives, etc. which performs the business of the liability mutual aid, such agency shall examine whether the implementation method of the business and the matters related to the liability mutual aid contract or the contribution out of those matters described in the liability mutual aid rules conform to the standards as set forth in paragraph 3, the preceding paragraph.
3. If the administrative agency as stipulated in paragraph 1 deems that the contribution

exceeds the reasonable cost under the efficient management, such agency may order change of the contribution rates to the agricultural cooperatives, etc.

(Examination, etc. of the mutual aid business rules related to the business of liability mutual aid to be performed by the consumer cooperatives, etc. and the common facility cooperatives, etc.)

Article 27-2. The provisions of the preceding Article shall be applied mutatis mutandis to the case where the consumer cooperatives, etc. performs the business of the liability mutual aid. In such case, in the same Article, “administrative agency (meaning the administrative agency as stipulated in paragraph 1, Article 98 of the Agricultural Cooperative Association Act, and including Prefectural Governors who are stipulated to do service belonging to authorities of the Minister of Agriculture, Forestry and Fisheries pursuant to the provision of paragraph 11, the same Article)” shall be read as “administrative agency (meaning the administrative agency as stipulated in Article 97 of the Consumer Livelihood Cooperative Association Act, and including Prefectural Governors who are stipulated to do service belonging to authorities of the Minister of Health, Labor and Welfare pursuant to the provision of paragraph 2, Article 97-2 of the same Act),” “agriculture cooperative society, etc.” as “consumer cooperatives, etc.,” “approval of the liability mutual aid rules in respect of the business of the liability mutual aid pursuant to the provision of paragraph 1, Article 11-7 of the same Act” as “approval of establishment of the rules in respect of the business of the liability mutual aid pursuant to the provisions of paragraph 5, Article 40 of the same Act (hereinafter referred to as “liability mutual aid business rules”),” “liability mutual aid rules” as “liability mutual aid business rules,” “Ministry of Agriculture, Forestry and Fisheries Ordinance” as “Ministry of Health, Labor and Welfare Ordinance,” “acknowledgment of change in the liability mutual aid rules in respect of the business of the liability mutual aid pursuant to the provisions of paragraph 3, Article 11-7 of the Agricultural Cooperative Association Act” as “approval of change in the liability mutual aid business rules in respect of the business of the liability mutual aid pursuant to the provisions of paragraph 5, Article 40 of the Consumer Livelihood Cooperative Association Act.”

2. The provisions of the preceding Article shall be applied mutatis mutandis to the case where the common facility cooperatives, etc. do business of the liability mutual aid. In such case, in the same Article, “administrative agency (meaning the administrative agency as stipulated in paragraph 1, Article 98 of the Agricultural Cooperative Association Act, and including Prefectural Governors who are stipulated to do service belonging to authorities of the Minister of Agriculture, Forestry and Fisheries pursuant to the provision of paragraph 11, the same Article)” shall be read as “administrative agency (meaning the administrative agency as stipulated in paragraph 1, Article 111 of the Act on the Cooperative Associations of Small and Medium Enterprises. and including the Prefectural Governors who are stipulated to do service belonging to authorities of the competent Minister pursuant to the provision of paragraph 3, the same article and the head of the local bureaus and branches who are entrusted a part of authorities of the competent

Minister pursuant to the provisions of paragraph 4, the same Article),” “agricultural cooperatives, etc.” as “common facility cooperatives, etc.,” “acknowledgment of the mutual aid rules in respect of the business of the liability mutual aid pursuant to the provision of paragraph 1, Article 11-7 of the same Act” as “approval of the mutual aid rules in respect of the business of the liability mutual aid pursuant to provision of paragraph 1, Article 9-6-2 of the same Act (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 9-9 of the same Act),” “Ministry of Agriculture, Forestry and Fisheries Ordinance” as “Ministerial Ordinance as provided by the Minister with jurisdiction over the business,” “acknowledgment of change in the liability mutual aid rules in respect of the business of the liability mutual aid pursuant to the provision of paragraph 3, Article 11-7 of the Agricultural Cooperative Association Act” as “approval of change in the liability mutual aid rules in respect of the business of the liability mutual aid pursuant to the provisions of paragraph 4, Article 9-6-2 of the Act on Cooperatives of Small and Medium Enterprise, etc. (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 9-9 of the same Act).”

(Consent)

Article 28. In the case where the Prime Minister receives an application for license under paragraph 1, Article 3 or paragraph 1, Article 185 of the Insurance Business Act (in respect of the liability insurance, only in the case where it is necessary to examine as to whether such application conforms to the standards as set forth in item (3) and item (4), paragraph 1, Article 5 of the same Act (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 187 of the same Act) and the provisions of Article 25), the Prime Minister shall, if the Prime Minister intends to give the said license, obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.

2. With respect to the part concerning the liability insurance out of the matters provided in documents as set forth in item (3) or item (4), paragraph 2, Article 4 or item (3) or item (4), paragraph 3, Article 187 of the Insurance Business Act, if the Prime Minister intends to give approval pursuant to the provision of paragraph 1, Article 123 of the same Act (including the case where the provision shall be applied mutatis mutandis in Article 207 of the same Act) or issues an ordinance pursuant to the provision of Article 131 or Article 203 of the same Act, the Prime Minister shall obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.
3. With respect to the standard full rates of the liability insurance, in the case where a filing pursuant to the provisions of paragraph 1, Article 9-3 of the Act concerning Non-life Insurance Rating Organization has been made, if the Prime Minister intends to shorten the period of lapse of ninety days as stipulated in paragraph 1, Article 10-4 of the same Act pursuant to the provisions of paragraph 1, Article 10-5 of the same Act which is read as pursuant to the provisions of paragraph 3, Article 26-2, to a period deemed appropriate, the Prime Minister shall obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance. Also if the Prime Minister determines not to give an

ordinance pursuant to the provisions of paragraph 3, Article 10-5 of the same Act, the same shall be applied.

4. With respect to the premium rates or the standard full rates of the liability insurance, if the Prime Minister intends to give an ordinance for change pursuant to the provisions of Article 26-3 or an ordinance pursuant to the provision of paragraph 5, Article 10-6 of the Act concerning Non-life Insurance Rating Organization, the Prime Minister shall obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.
5. In the case where the insurance company violates this Act or any order under this Act or any disposition thereunder, or violates the Insurance Business Act or the Act concerning Non-life Insurance Rating Organization or any order thereunder or any disposition thereunder in respect of the policy conditions or the premium rates of the liability insurance, if the Prime Minister intends to make any disposition pursuant to the provision of Article 133 or Article 205 of the Insurance Business Act, the Prime Minister shall obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism in advance.

(Consent and consultation)

Article 28-2. If the administrative agency as stipulated in paragraph 1, Article 27 intends to make disposition as set forth in each of the following items with respect to those rules related to the implementation method of business, the mutual aid contract or the contribution out of the mutual aid rules in respect of the business of the liability mutual aid, such agency shall obtain the consents of the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.

- (1) Order for change pursuant to the provision of paragraph 3, Article 27;
 - (2) Acknowledgment pursuant to the provisions of paragraph 1 or paragraph 3, Article 11-7 of the Agricultural Cooperative Association Act; or
 - (3) Disposition pursuant to the provision of paragraph 2, Article 94-2 or the provision of Article 95 of the Agricultural Cooperative Association Act.
2. With respect to those rules related to the implementation method of the business, the mutual aid contract or contribution out of the mutual aid rules in respect of the business of the liability mutual aid, if the administrative agency as stipulated in the preceding paragraph intends to enact or change the Ordinance of Ministry of Agriculture, Forestry and Fisheries under paragraph 2, Article 11-7 of the Agricultural Cooperative Association Act, such agency shall consult with the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.
 3. With respect to those rules related to the implementation method of business, the mutual aid contract or the contribution out of the mutual aid business bylaws in respect of the business of the liability mutual aid, if the administrative agency as stipulated in paragraph 1, Article 27 which shall be read as and applied mutatis mutandis in paragraph 1, Article 27-2 intends to make disposition as set forth in each of the following items, such agency shall obtain the consents of the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.

AUTOMOBILE LIABILITY SECURITY ACT

- (1) Order for change pursuant to the provision of paragraph 3, Article 27 which shall be read as and applied mutatis mutandis in paragraph 1, Article 27-2;
 - (2) Approval pursuant to the provision of paragraph 5, Article 40 of the Consumer Livelihood Cooperative Association Act; or
 - (3) Disposition pursuant to the provision of paragraph 1, 2, 4 or 5 of Article 94-2, or paragraph 1 or 2, Article 95 of the Consumer Livelihood Cooperative Association Act.
4. With respect to those rules related to the implementation method of the business, the mutual aid contract or the contribution out of the mutual aid business bylaws in respect of the business of the liability mutual aid, if the administrative agency as stipulated in the preceding paragraph intends to enact or change the Ordinance of Ministry of Health, Labour and Welfare under paragraph 1, the same Article which shall be read as and applied mutatis mutandis pursuant to the provision of paragraph 2, Article 26-3 of the Consumer Livelihood Cooperative Association Act, such agency shall consult with the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.
5. With respect to those rules related to the implementation method of the business, the mutual aid contract or the contribution out of the mutual aid rules in respect to the business of the liability mutual aid, the administrative agency as stipulated in paragraph 1, Article 27 which shall be read as and applied mutatis mutandis in paragraph 2, Article 27-2 shall, if such agency intends to make disposition as set forth in each of the following items, obtain consents of the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.
 - (1) Order for change pursuant to the provision of paragraph 3, Article 27 which shall be read as and applied mutatis mutandis in paragraph 2, Article 27-2;
 - (2) Approval pursuant to the provision of paragraph 1 or 4, Article 9-6-2 of the Act on the Cooperative Associations of Small and Medium Enterprises (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 9-9 of the same Act); or
 - (3) Disposition pursuant to the provision of paragraph 1, Article 106, or paragraph 1, 2, 4 and 5, Article 106-2 of the Act on Cooperative Associations of Small and Medium Enterprises.
6. With respect to those rules related to the implementation method of the business, the mutual aid contract or the contribution out of the mutual aid rules in respect of the business of the liability mutual aid, if the administrative agency as stipulated in the preceding paragraph intends to enact or change the Ministerial Ordinance under paragraph 2, Article 9-6-2 which shall be applied in an alternative reading of paragraph 3, the same Article of the Act on the Cooperative Associations of Small and Medium Enterprises (including the case where the provisions shall be applied mutatis mutandis in paragraph 5, Article 9-9 of the same Act), such agency shall consult with the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister in advance.

(Reserve funds)

Article 28-3. Notwithstanding the provision of Article 116 of the Insurance Business Act, the insurance company shall accumulate the total amount of balances of revenue and expense and of invested assets of the business of the liability insurance as reserve funds as provided in the competent Ministerial Ordinance. In such case, the reserve funds accumulated shall not, except the case where the reserve funds are appropriated to cover any deficient balance of the business of the liability insurance and other cases as provided in the competent Ministerial Ordinance, be drawn down.

2. The provision of the preceding paragraph shall be applied mutatis mutandis to the agricultural cooperatives, etc. In any such case, in the same paragraph, “insurance company” shall be read as “agricultural cooperatives, etc.,” “notwithstanding the provision of Article 116 of the Insurance Business Act” as “notwithstanding the provision of Article 11-13 of the Agricultural Cooperative Association Act,” and “business of the liability insurance” as “business of the liability mutual aid.”
3. The provision of paragraph 1 shall be applied mutatis mutandis to the consumer cooperatives, etc. In any such case, in the same paragraph, “insurance company” shall be read as “consumer cooperatives, etc.,” “notwithstanding the provision of Article 116 of the Insurance Business Act” as “notwithstanding the provision of Article 50-7 of the Consumer Livelihood Cooperative Association Act,” and “business of the liability insurance” as “business of the liability mutual aid.”
4. The provision of paragraph 1 shall be applied mutatis mutandis to the common facility cooperatives, etc. In any such case, in the same paragraph, “insurance company” shall be read as “common facility cooperatives, etc.,” and “notwithstanding the provision of Article 116 of the Insurance Business Act”, “business of liability insurance” and “business of the liability insurance” as “business of the liability mutual aid.”
5. The competent Ministerial Ordinance under paragraph 1 (including the case where the provisions shall be applied mutatis mutandis in the preceding three paragraphs) shall be an order jointly issued by the Prime Minister, the Minister of Health, Labor and Welfare, the Minister of Agriculture, Forestry and Fisheries, the Minister of Land, Infrastructure, Transport and Tourism and the Minister with jurisdiction over the business.

(Joint pooling affairs)

Article 28-4. The insurance company and the cooperative (excluding the cooperative which concluded a contract where whole of mutual aid liability is covered by re-mutual aid with other cooperatives, and the cooperative which concluded a contract where whole of the re-mutual aid liability is covered by retrocession-mutual aid with other cooperatives; the same shall be applied in this Article) shall perform jointly each other the affairs of calculation, allocation and collection of the premium, and insurance claim, etc. (hereinafter referred to as “joint pooling affairs” in this Article) as set forth in the following items.

- (1) The balance of the premium of the liability mutual aid and other amount of money received by the insurance company pursuant to the provision of this Act or the

contribution, the re-contribution of the re-mutual aid or the retrocession-contribution of the retrocession-mutual aid, and other amount of money received by the cooperative pursuant to the provisions of this Act from which the amount of money paid to the Government pursuant to the provisions of Article 78 and expenses for carrying out the business of the liability insurance of the insurance company (meaning the balance of the premium from which the amount expected to be appropriated to insurance claim payment and the amount expected to be paid to the Government pursuant to the provisions of the same Article in the future are deducted) or expenses for carrying out the business of the liability mutual aid of the cooperative (meaning the balance of the contribution, re-mutual aid contribution or retrocession-mutual aid contribution from which the amount expected to be appropriated to the payment of the mutual aid claim, re-mutual aid claim or retrocession-mutual aid claim and the amount expected to be paid to the Government in the future pursuant to the provisions of the same Article are deducted) are deducted shall be allocated to the insurance company and the cooperative according to the ratio by the insurance company and the cooperative (hereinafter referred to as “allocation ratio” in this Article) as provided in the bylaws of the following paragraph.

- (2) The balance obtained from the amount of the insurance claim payment and other amount paid by the insurance company pursuant to the provisions of this Act or as provided in the contract of the liability insurance or the liability mutual aid claim, the re-mutual aid claim or the retrocession-mutual aid claim and other money paid by the cooperative pursuant to the provisions of this Act or as provided in the contract of liability mutual aid, re-mutual aid or retrocession-mutual aid from which any amount of money received from the Government pursuant to the provisions of paragraph 4, Article 16 or paragraph 4, Article 17 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) are deducted shall be collected from the insurance company and the cooperative according to the allocation ratio.
2. The insurance company and the cooperative shall prepare bylaws providing the necessary matters concerning the allocation ratio and the joint pooling affairs, and the insurance company shall file the bylaws to the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister and the cooperative shall file those to the Minister of Land, Infrastructure, Transport and Tourism and the Minister of Health, Labor and Welfare, the Minister of Agriculture, Forestry and Fisheries or the Minister with jurisdiction over the business. If the bylaws are changed, the same shall be applied.
3. The Minister of Land, Infrastructure, Transport and Tourism may, in order to look into the management situation of the joint pooling affairs, to the extent of necessity, request the insurance company or the cooperative to submit necessary reports or materials concerning such joint pooling affairs. In any such case, the Minister of Land, Infrastructure, Transport and Tourism shall consult with the Prime Minister, the Minister of Health, Labour and Welfare, the Minister of Agriculture, Forestry and Fisheries or the Minister with

jurisdiction over the business in advance.

4. The Minister of Land, Infrastructure, Transport and Tourism, the Prime Minister, the Minister of Health, Labour and Welfare, the Minister of Agriculture, Forestry and Fisheries and the Minister with jurisdiction over the business may, if it is deemed that the content of the bylaws filed pursuant to the provisions of paragraph 2 violates the Acts and regulations or wrongfully and discriminatory treats specified persons, or if it is deemed that the joint pooling affairs is not properly carried out, give an order to the insurance company or the cooperative to the effect that they should jointly change the bylaws and take other necessary measures.

(Filing concerning concerted activity)

Article 29. With respect to concerted activity concerning the business of the liability insurance as set forth in item (1), paragraph 1, Article 101 of the Insurance Business Act (including the case where the provisions shall be applied mutatis mutandis in Article 199 of the same Act), if the Prime Minister has given its approval pursuant to the provision of paragraph 1, Article 102 of the same Act (including the case where the provisions shall be applied mutatis mutandis in Article 199 of the same Act), the Prime Minister shall notify to the effect to the Minister of Land, Infrastructure, Transport and Tourism.

(Duty of report of loss ratios, etc.)

Article 29-2. To the person which is designated by the Prime Minister (referred to as “rating organization” in the following paragraph) out of those which are non-life insurance rating organizations and perform calculation of the standard full rates of the liability insurance as provided in the Cabinet Office Ordinance, the insurance company and the cooperative shall report loss ratios and necessary matters for calculation of the insurance rates of the liability insurance or the contribution rates.

2. The cooperative may request the rating organization to furnish materials that have been used as the bases for calculation of the standard full rates of the liability insurance.
3. The Prime Minister shall, if he/she intends to enact or change respectively the Cabinet Office Ordinance under paragraph 1, consult with the Minister of Land, Infrastructure, Transport and Tourism and the Minister of Health, Labour and Welfare, the Minister of Agriculture, Forestry and Fisheries and the Ministry with jurisdiction over the business in advance.

(Agency contract)

Article 30. The insurance companies or cooperatives shall conclude agency contracts concerning the liability insurance or the liability mutual aid with organizations or others established for the purpose of promoting automobile transportation and transportation business and which are deemed to be appropriate in smoothly carrying out the business of the liability insurance or the liability mutual aid.

AUTOMOBILE LIABILITY SECURITY ACT

Section 4. Automobile Liability Insurance Council

(Establishment)

Article 31. The Automobile Liability Insurance Council (hereinafter referred to as “Council”) shall be established in the Financial Services Agency.

Article 32. Deleted.

(Reference to the Council, etc.)

Article 33. In the case as stipulated in paragraph 1, Article 28, if the Prime Minister intends to make a disposition as stipulated in the same paragraph or if the Prime Minister intends to make a disposition as stipulated in paragraph 2 or paragraph 4, the same Article, the Prime Minister shall refer the disposition to the Council. In the case as stipulated in paragraph 3, the same Article, if the Prime Minister intends to shorten the period as stipulated in the first sentence of the same paragraph or the Prime Minister intends not to give an order as stipulated in the second sentence of the same paragraph, the same shall be applied.

2. If the Prime Minister intends to give its consent pursuant to the provisions of paragraph 1, paragraph 3 or paragraph 5, Article 28-2, the Prime Minister shall refer the matter to the Council.
3. The Council shall, in response to the inquiry pursuant to the provisions of the preceding paragraph, investigate and deliberate with respect to the consent of the Prime Minister pursuant to the provisions of paragraph 1, paragraph 3 or paragraph 5, Article 28-2.

Article 34. Deleted.

(Members)

Article 35. Member of Council shall be appointed by the Prime Minister as provided in the Cabinet Order upon obtaining the consent of the Minister of Land, Infrastructure, Transport and Tourism.

Article 36 through Article 38. Deleted.

(Delegation to the Cabinet Order)

Article 39. Organization, members, staff and other necessary matters regarding the Council other than those stipulated in Article 31, Article 33 and Article 35 shall be provided in the Cabinet Order.

Article 40 through Article 70. Deleted.

CHAPTER IV. GOVERNMENT’S AUTOMOBILE LIABILITY COMPENSATION BUSINESS

(Automobile Liability Compensation Business)

Article 71. The Government shall carry out Automobile Liability Compensation Business pursuant to the provisions of this Act.

(Contents of business)

Article 72. In the case where a person has been killed or injured by operation of an

automobile, if the victim is unable to make a claim for damage pursuant to the provision of Article 3 for reason that the owner of the automobile is not identified, the Government shall, at the victim's request, indemnify the victim for damage to the extent of the amount as provided in the Cabinet Order. In the case where a person other than the insured of liability insurance and the insured of mutual aid is liable to compensate for damage pursuant to the provision of Article 3 (excluding the case where such liability arises due to operation of any automobile as stipulated in Article 10), the Government shall, at the victim's request, indemnify the victim for damage to the extent of the amount as provided in the Cabinet Order.

2. When the Government received a claim pursuant to the provision of paragraph 4, Article 16 or paragraph 4, Article 17 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3), the Government shall make reparation pursuant to these provisions.
3. The procedures for the claim under the preceding two paragraphs shall be provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

(Adjustment, etc. with benefits given under other Acts and regulations)

Article 73. In the case where the victim is entitled to receive a payment of benefit corresponding to the indemnity for damage pursuant to the provision of paragraph 1, the preceding Article under the Health Insurance Act (Act No. 70, 1922), the Workmen's Accident Compensation Insurance Act (Act No. 50, 1947) or other Acts and regulations as provided in the Cabinet Order, the Government shall not indemnify for damage pursuant to the provision of paragraph 1, the preceding Article to the extent of the amount corresponding to such benefit.

2. In the case of the second sentence of paragraph 1, the preceding Article, if the victim has received compensation for damage from the person who is liable to compensate for such damage pursuant to the provision of Article 3, the Government shall not indemnify for damage pursuant to the provision of the second sentence of paragraph 1, the preceding Article to the extent of the amount the victim has received.

(The period of indemnity for damage pursuant to the provision of paragraph 1, Article 72)

Article 73-2. After the claims are made for indemnity for damage pursuant to the provision of paragraph 1, Article 72, until the period necessary to confirm the accident caused by operation of an automobile related to said claims and the amount of damage to be indemnified lapses, the Government shall not be liable for the delay of the payment for indemnity for damage.

2. In the case where the Government makes necessary investigation to confirm the matters stipulated in the preceding paragraph, if the victim prevents said investigation without due reasons, or does not respond to it, the Government shall not be liable for the delay of the payment for indemnity for damage caused by those acts.

(Prohibition of attachment)

Article 74. The right of claim pursuant to the provision of paragraph 1, Article 72 may not be attached.

AUTOMOBILE LIABILITY SECURITY ACT

(Prescription)

Article 75. The right of claim pursuant to paragraph 4, Article 16 or paragraph 4, Article 17 (including the case where the provisions shall be applied *mutatis mutandis* in paragraph 1, Article 23-3) or paragraph 1, Article 72 shall become extinct by prescription after the lapse of three years.

(Subrogation, etc.)

Article 76. If the Government has made indemnity for damage pursuant to the provision of paragraph 1, Article 72, the Government shall acquire the right that the victim has against the person who is liable to compensate for damage, to the extent of such amount of compensation.

2. In the case where any damage caused by malicious intent of the policyholder or the insured or the policyholder of mutual aid or the insured of mutual aid, if the insurance company or a cooperative has paid the amount of compensation for damage to the victim pursuant to the provision of paragraph 1, Article 16 (including the case where the provisions shall be applied *mutatis mutandis* in paragraph 1, Article 23-3), the Government shall acquire the right owned by the victim against the policyholder or the insured or the policyholder of mutual aid or the insured of mutual aid, to the extent of the amount paid.
3. In the case where the owner's liability for compensation for damage has not arisen, if the insurance company or the cooperative has made the provisional payment to the victim pursuant to the provision of paragraph 1, Article 17 (including the case where the provisions shall be applied *mutatis mutandis* in paragraph 1, Article 23-3), the Government may claim the refund thereof against the victim.

(Entrustment of business)

Article 77. The Government may, as provided in the Cabinet Order, entrust the insurance company or the cooperative with a part of its business pursuant to the provision of paragraph 1, Article 72.

2. Notwithstanding the provisions as set forth in each of the following items, the cooperative may conduct the business entrusted pursuant to the provision of the preceding paragraph:
 - (1) Article 10 of the Agricultural Cooperative Association Act;
 - (2) Article 10 of the Consumer Livelihood Cooperative Association Act; and
 - (3) Article 9-2 or Article 9-9 of the Act on Cooperative of Small and Medium Enterprises, etc.
3. The Minister of Land, Infrastructure, Transport and Tourism shall, if the Minister of Land, Infrastructure, Transport and Tourism has entrusted pursuant to the provision of paragraph 1, make a public notice of the name of the insurance company or the cooperative which accepted such entrustment and other matters as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

(Automobile Liability Compensation Business Contribution)

Article 78. The insurance company, cooperative and person who operates automobile as provided in the Cabinet Order out of those as stipulated in Article 10 shall, as provided in

Ordinance of Ministry of Land, Infrastructure, Transport and Tourism, pay to the Government the amount as provided in the Cabinet Order as Automobile Liability Compensation Business Contribution.

(Negligence fine)

Article 79. If the Government has indemnified for damage pursuant to the provision of the second sentence of paragraph 1, Article 72, the Government may collect the amount as provided in the Cabinet Order as negligence fine from the person who is liable to compensate for damage.

(Disposition for failure to pay the levy)

Article 80. If there is any person who fails to pay Automobile Liability Compensation Business Contribution under Article 78 or the negligence fine under the preceding Article, the Minister of Land, Infrastructure, Transport and Tourism shall press the person for payment thereof providing the deadline of payment.

2. The Minister of Land, Infrastructure, Transport and Tourism shall, if the Minister of Land, Infrastructure, Transport and Tourism presses for payment pursuant to the provision of the preceding paragraph, dispatch a letter of pressing to the person who is obligated to pay. In this case, the deadline which should be provided in such letter of pressing shall be the date after the lapse of ten or more days counting from the date of dispatch of the letter.
3. Notwithstanding the provision of Article 153 of the Civil Code, the pressing pursuant to paragraph 1 shall have the effect of interruption of prescription.
4. If the person who was pressed pursuant to the provision of paragraph 1 fails to pay Automobile Liability Compensation Business Contribution or the negligence fine within the deadline provided in the same paragraph, the Minister of Land, Infrastructure, Transport and Tourism shall make a disposition against the person according to the example of disposition for failing to pay the national taxes.

(Order of preferential rights)

Article 81. The preferential right of Automobile Liability Compensation Business Contribution under Article 78 and the negligence fine under Article 79 shall be ranked after those of the national taxes and local taxes.

(Transfer of expenditure concerning the Automobile Liability Compensation Business)

Article 82. The Government shall, with respect to automobiles as stipulated in Article 10 (excluding those as provided in the Cabinet Order under Article 78 and those operated solely at places other than roads), every fiscal year, as provided in the budget, transfer the amount corresponding to Automobile Liability Compensation Business Contribution under Article 78 from the General Account of the Government to the Automobile Safety Special Account.

2. The Government shall, every fiscal year, as provided in the budget, transfer a part of expenditure required for the execution of the business of the Automobile Liability Compensation Business as stipulated in this Act from the General Account of the Government to the Automobile Safety Special Account.

AUTOMOBILE LIABILITY SECURITY ACT

(Reports and on-the-spot inspections)

Article 82-2. To the extent of necessity to implement the provisions of Article 78, the Minister of Land, Infrastructure, Transport and Tourism may order insurance companies or cooperatives to provide reports concerning their business or financial condition, or instruct officials to enter the insurance companies or cooperatives' sales offices, business offices or other premises and inspect the conditions of their business or examine their books, documents and other things, or to question related persons, as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

2. The provisions of paragraph 2 and paragraph 3, Article 23-2 shall be applied mutatis mutandis to the on-the-spot inspections and questions pursuant to the provision of the preceding paragraph.

CHAPTER V. MISCELLANEOUS PROVISIONS

(Exemption in the case of double contracts)

Article 82-3. In the case where two or more liability insurance contracts or liability mutual aid contracts are concluded with respect to one unit of automobile, the insurance company or the cooperative shall, with respect to contracts other than the contract concluded at the earliest time among them, be exempted from the liability for indemnity for damage, payment of the amount of compensation for damage pursuant to the provision of paragraph 1, Article 16 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3), payment of the provisional payment pursuant to the provision of paragraph 1, Article 17 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) (referred to as "indemnity, etc. for damage" in the succeeding paragraph) related to the accident by operation of an automobile which occurred during the insurance periods or the mutual aid periods which overlap the insurance period or the mutual aid period of the contract concluded at the earliest time among them.

2. In the case of the preceding paragraph, if there are two or more contracts which were concluded at the earliest time, the insurance company or the cooperative shall, with respect to one contract out of these contracts, be exempted from the liability for the indemnity, etc. for damage with respect to any amount exceeding the amount obtained by dividing the amount to be paid for the indemnity, etc. for damage regarding such contract by the number of contracts.
3. In the case where the insurance company or the cooperative has, with respect to contracts other than the contract concluded at the earliest time under paragraph 1, received the claim for payment of the amount of compensation for damage pursuant to the provision of paragraph 1, Article 16 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) or payment of the provisional payment pursuant to the provision of paragraph 1, Article 17 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) (hereinafter referred to as "payment of the amount of compensation for damage, etc." in this paragraph and the succeeding

paragraph), if such insurance company or such cooperative has made the payment of the amount of compensation for damage, etc., except for the case where such insurance company or such cooperative or the victim was aware of the fact that the contract concerned with such claim was a contract other than those which was concluded at the earliest time under paragraph 1, to the extent of the amount paid, such insurance company or such cooperative shall acquire the right that the victim has against the person who is liable to compensate for damage and shall lose the right to claim for refund of the benefit paid to the victim.

4. The provision of the preceding paragraph shall be applied mutatis mutandis to the case where the insurance company or the cooperative has, with respect to the contract concluded at the earliest time under paragraph 1, paid the amount which such insurance company or the cooperative should have been exempted from the liability for payment of the amount of compensation for damage, etc. pursuant to the provision of paragraph 2. In this case, in the preceding paragraph, “the fact contract concerned with the claim was a contract other than those which was concluded at the earliest time in paragraph 1” shall be read as “the fact that there is a contract which was concluded at the earliest time in paragraph 1,” and “the amount paid” as “the amount which should be exempted from liability for payment of the amount of compensation for damage, etc. pursuant to the provision of paragraph 2.”

(Supervision of business)

Article 83. The business of the Government concerning the automobile liability reinsurance business, the automobile liability mutual aid insurance business and the Automobile Liability Compensation Business shall be supervised by the Minister of Land, Infrastructure, Transport and Tourism.

(Delegation of authorities)

Article 84. The Prime Minister shall delegate authorities under this Act (excluding those as provided in the Cabinet Order) to the Commissioner of the Financial Services Agency.

2. Matters belonging to the authorities of the Minister of Land, Infrastructure, Transport and Tourism pursuant to the provision of Article 10-2, the preceding Chapter and Article 85 may cause the Directors-General of District Transport Bureaus to perform them as provided in the Cabinet Order.

(Prohibited acts, etc.)

Article 84-2. No person shall forge or alter an insurance sticker, a mutual aid sticker or an insurance/mutual aid exempt sticker, for the purpose of use thereof, nor shall use such forged or altered sticker.

2. No person shall manufacture the article bearing external appearance similar to the insurance/mutual aid exempt sticker for the purpose of use thereof nor shall use such articles.
3. No person shall, except in the case pursuant to the provisions of this Act and other cases where there is any due reason, issue an insurance sticker or mutual aid sticker to other persons.

AUTOMOBILE LIABILITY SECURITY ACT

4. Matters to be observed by the insurance company or the cooperative with respect to securing proper issue of the insurance sticker or mutual aid sticker shall be provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

(Presentation of certificate)

Article 85. If the Minister of Land, Infrastructure, Transport and Tourism deems it necessary for achieving the purpose under Article 1, the Minister of Land, Infrastructure, Transport and Tourism may cause official to request any person driving an automobile to present the certificate of automobile liability insurance or the certificate of automobile liability mutual aid on the road or in any other place where the automobile is located.

2. The official mentioned in the preceding paragraph shall carry the voucher showing their status with them and show such voucher to related persons if they are requested to do so.

(Delegation to the Cabinet Order)

Article 85-2. In addition to those as stipulated in this Act, matters necessary for enforcement of this Act shall be provided in the Cabinet Order.

(Duty of the Minister of Land, Infrastructure, Transport and Tourism)

Article 86. The Minister of Land, Infrastructure, Transport and Tourism shall, in exercising his/her authorities as stipulated in this Act, endeavor not to fail to protect the victims.

CHAPTER VI. PENAL PROVISIONS

Article 86-2. A person who has violated the provision of paragraph 1, Article 84-2 shall be sentenced to the penal servitude for a period not exceeding three years or a fine not exceeding one million yen, or to both.

Article 86-3. A person who comes under any of the following items shall be sentenced to penal servitude for a period not exceeding one year or a fine not exceeding five hundred thousand yen:

- (1) a person who has violated the provisions of Article 5;
- (2) a person who has violated the provisions of paragraph 1, Article 23-9, by having divulged confidential information learned concerning such duties or used such information for personal gain; or
- (3) a person who has violated the provisions of paragraph 2 or paragraph 3, Article 84-2.

Article 87. A person who has, by fraudulent or other wrongful means, been issued or reissued an automobile liability insurance certificate or an automobile liability mutual aid certificate or an insurance sticker, mutual aid sticker or insurance/mutual aid exempt sticker shall be sentenced to penal servitude for a period not exceeding six months or a fine not exceeding two hundred thousand yen.

Article 87-2. A person who has violated an order pursuant to the provisions of paragraph 4, Article 16-8 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) shall be sentenced to a fine not exceeding one million yen.

Article 88. A person who comes under any of the following items shall be sentenced to a fine

not exceeding three hundred thousand yen:

- (1) a person who has violated the provisions of Article 8 or paragraph 1 or paragraph 2, Article 9-3 (including the case where the provisions shall be applied mutatis mutandis in paragraph 3, Article 9-5 and paragraph 4, Article 10-2);
- (2) a person who does not submit a report, or submit a false report, or prevents, obstructs or evades an inspection, or does not respond to or responds falsely to questions, pursuant to the provisions of paragraph 1, Article 23-2 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) or in paragraph 1, Article 82-2; or
- (3) a person who does not submit a report or materials, or submits a false report or materials pursuant to the provisions of paragraph 3, Article 28-4.

Article 88-2. If any of the following items apply, an officer or employee of a designated dispute settlement organization who has engaged in illegal conduct shall be sentenced to a fine not exceeding three hundred thousand yen:

- (1) in the case of terminating all dispute settlement activities without receiving permission pursuant to the provision of paragraph 1, Article 23-15;
- (2) in the case of not furnishing books, or not making entries in books, or making false entries in books, or not retaining books in violation of the provisions of Article 23-16; or
- (3) in the case of not submitting a report, or submitting a false report, or rejecting, obstructing or evading an inspection, or not responding to or responding falsely to questions pursuant to the provision of paragraph 1, Article 23-17.

Article 89. A person who comes under any of the following items shall be sentenced to the fine not exceeding two hundred thousand yen:

- (1) a person who has violated the provision of paragraph 3, Article 9-3 (including the case where the provisions shall be applied mutatis mutandis in paragraph 3, Article 9-5);
- (2) a person who has violated the provisions of Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under the provision of paragraph 4, Article 84-2; or
- (3) a person who has refused or disturbed the presentation pursuant to the provision of paragraph 1, Article 85.

Article 90. If a representative of a legal person or an agent, employee or any other person of a legal person or a person has committed any of the offenses under item (1) or item (2) of Article 86-3 or Article 87 through the preceding Article with respect to the business or property of the legal person or person, not only the person who has committed the offence shall be punished but also the legal person or person concerned shall also be sentenced to the fine as respectively mentioned in this Article.

Article 91. In the case where any of the following items applies to the insurance company or the cooperative, director or officer of such insurance company (in the case of the foreign

AUTOMOBILE LIABILITY SECURITY ACT

insurance company, etc. as stipulated in paragraph 9, Article 2 of the Insurance Business Act, the representative of such foreign insurance company in Japan; hereinafter the same shall be applied) or director of such cooperative shall be sentenced to a fine not exceeding one million yen:

- (1) in the case of not submitting a filing, or submitting a false filing, pursuant to the provisions of Article 16-6 (including the case where the provisions shall be applied *mutatis mutandis* in paragraph 1, Article 23-3);
 - (2) in the case of not submitting a report or materials, or submitting a false report of materials, pursuant to the provisions of paragraph 2, Article 23-12;
 - (3) in the case of violating the provisions of paragraph 1 or paragraph 2, Article 24; or
 - (4) in the case of violating an order pursuant to the provisions of paragraph 4, Article 28-4.
2. If the insurance company or the non-life insurance rating organization has violated an order pursuant to the provisions of Article 26-3, director or officer of the insurance company or director of such non-life insurance rating organization shall be sentenced to the fine not exceeding one million yen.
 3. If the cooperative has violated an order pursuant to the provisions of paragraph 3, Article 27 (including the case where the provisions shall be applied *mutatis mutandis* in paragraph 1 and paragraph 2, Article 27-2), director of such cooperative shall be sentenced to a fine not exceeding one million yen.

Article 92. A person who has received an explanation (including an explanation in a case regarded as an explanation etc. by written statement pursuant to the provisions (including cases where the provision shall be applied *mutatis mutandis* in paragraph 1, Article 23-3) of paragraph 5, Article 16-5) pursuant to the provisions of paragraph 1, Article 16-5 (including the case where the provision shall be applied *mutatis mutandis* in paragraph 1, Article 23-3) by fraudulent or other wrongful means shall be sentenced to a fine not exceeding one hundred thousand yen.

Supplementary Provisions [Extract]

(Effective date)

1. The effective date of this Act shall be provided in the Cabinet Order within a time limit not to exceed eight months counting from the date of promulgation.

(Special exceptions to transfer from the General Account)

2. The provisions of paragraph 2, Article 82 shall not be applied for the time being.
3. In the case of the preceding paragraph, the provisions of subitem (b), item (1), paragraph 1, Article 213 and paragraph 1, Article 215 of the Act on the Special Account (Act No. 23, 2007) shall not be applied.

(Automobile accident prevention program)

4. In order to improve protection for victims and contribute to the prevention of automobile accidents, until further notice the Minister of Land, Infrastructure, Transport and Tourism

shall make or amend programs concerning projects related to measures to improve protection for victims or prevent the occurrence of automobile accidents (hereinafter referred to as “automobile accident prevention program”) by appropriating assets that belong to the Automobile Accident Prevention Account pursuant to the provision of paragraph 3 of the Supplement to the Automobile Liability Compensation Business Special Account Act (Act No. 134, 1955) before its repeal, after conversion pursuant to the provision of paragraph 15 of the Supplement to the same Act, pursuant to the provision of paragraph 17, Article 66 of the Supplement to the Act on the Special Account; belong to the same Account in the Automobile Liability Compensation Business Special Account pursuant to the provision of paragraph 4, Article 227 of the Supplement to the Act on the Special Account; and belong to the same Account in the Automobile Safety Special Account pursuant to the provision of paragraph 8, Article 228 of the Supplement to the same Act, as stipulated by paragraph 4, Article 4 of the Supplement to the Act to Partially Amend the Automobile Liability Security Act and the Automobile Liability Reinsurance Special Account Act (Act No. 83, 2001).

5. Based on the automobile accident prevention programs, the Government shall stably provide the subsidies in Article 46 of the General Act of Independent Administrative Agencies (Act No.. 103, 1999), the fund in paragraph 3, Article 5 of the Independent Administrative Agency National Organization for Automotive Safety and Victims’ Aid Act (Act No.. 183, 2002) and the loans in paragraph 1, Article 18 of the same Act to the Independent Administrative Agency National Organization for Automotive Safety and Victims’ Aid, as well as the subsidies to the Independent Administrative Agency National Organization for Automotive Safety and Victims’ Aid’s and persons who implement projects pursuant to the automobile accident prevention programs.
6. If the Minister of Land, Infrastructure, Transport and Tourism make or amend automobile accident prevention programs, the Minister shall consult in advance with the Minister of Finance and the National Public Safety Commission.

(Subsidies appropriated for premiums, etc.)

7. In order to appropriate for the premiums partially for liability insurance contracts or the contribution for liability mutual aid contracts that policyholders and policyholders of mutual aid should pay to insurance companies or cooperatives for liability insurance contracts or liability mutual aid contracts that will become effective during the period from April 1, 2002 until March 31, 2008, within the scope of the budget the Government shall grant a subsidy corresponding to the amount that should be appropriated (hereinafter referred to as “subsidies appropriated for premiums, etc.”) to insurance companies or cooperatives as provided in the Cabinet Order.
8. The subsidies appropriated for premiums, etc. shall be granted without delay by the fiscal year following the fiscal year that includes the date on which the liability insurance or liability mutual aid becomes effective.

AUTOMOBILE LIABILITY SECURITY ACT

Supplementary Provisions (Act No. 65, June 13, 2008) [Extract]

(Effective date)

Article 1. This Act shall take effect as from the date provided in the Cabinet Order within a time limit not to exceed six months counting from the date of promulgation.

(It took effect as from December 12, 2008 by Cabinet Order No. 368, 2008.)

(The rest is omitted.)

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Cabinet Order No. 286, October 18, 1955)

History of Amendment

No. 170, June 23, 1960	No. 276, September 13, 1996
No. 227, August 4, 1960	No. 84, March 28, 1997
No. 233, June 1, 1962	No. 258, August 1, 1997
No. 288, July 9, 1962	No. 262, September 3, 1999
No. 326, September 13, 1963	No. 312, June 7, 2000
No. 8, January 20, 1964	No. 419, December 21, 2001
No. 250, July 16, 1964	No. 275, September 15, 2004
No. 291, September 1, 1964	No. 315, October 15, 2004
No. 203, June 29, 1966	No. 187, May 27, 2005
No. 203, July 24, 1967	No. 139, March 31, 2006
No. 274, September 1, 1967	No. 116, March 31, 2008
No. 12, February 5, 1968	No. 116, May 2, 2011
No. 270, October 31, 1969	
No. 310, December 19, 1969	
No. 263, September 18, 1970	
No. 254, September 4, 1973	
No. 331, October 30, 1973	
No. 350, November 27, 1973	
No. 11, January 24, 1975	
No. 202, June 27, 1975	
No. 347, December 5, 1975	
No. 48, March 31, 1977	
No. 261, June 27, 1978	
No. 13, January 30, 1979	
No. 11, January 30, 1981	
No. 141, April 21, 1981	
No. 6, January 21, 1983	
No. 110, May 24, 1983	
No. 35, March 17, 1984	
No. 176, June 6, 1984	
No. 268, September 7, 1984	
No. 4, January 22, 1985	
No. 198, June 28, 1989	
No. 4, January 22, 1991	
No. 259, July 24, 1992	

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Provision of the items that should be described in the certificate of automobile liability insurance by electromagnetic means)

Article 1. If a person who intends to receive any of the dispositions provided in the main text of paragraph 1 of Article 9 of the Automobile Liability Security Act (hereinafter referred to as “Act”) is to provide the matters that should be described in the certificate of automobile liability insurance to registration information processing organizations pursuant to the provision of paragraph 2 of the same Article, he/she must, as stipulated in the provisions of Ordinance of Ministry of Land, Infrastructure, Transport and Tourism, in advance entrust the insurance company in writing or by electromagnetic means.

(Owners of automobiles for which contracts of liability insurance or liability mutual aid are not required and scope of business thereof)

Article 1-2. The persons as provided in the Cabinet Order under Article 10 of the Act and such persons’ business as provided in the Cabinet Order under the same Article shall be as follows:

- (1) The State: The business necessary for executing the duties of the Self-Defense Forces as stipulated in the Self-Defense Forces Act (Act No. 165, 1954) in the case of using automobiles to which the provisions of the Road Transport Vehicle Act (Act No. 185, 1951) are not applied pursuant to the provisions of Paragraph 1, Article 114 of the Self-Defense Forces Act;
- (2) The forces of the United States of America stationed in Japan under the Treaty of Mutual Cooperation and Security between Japan and the United States of America: The business necessary for executing the duties; and
- (3) The forces of United Nations stationed in Japan under the Agreement on the Status of the United Nations’ Forces in Japan: The business necessary for executing the duties.

(Automobiles unnecessary to issue insurance/mutual aid exempt sticker)

Article 1-3. The light automobiles which is not subject to inspection and motorcycles as provided in the Cabinet Order under Paragraph 1, Article 10-2 of the Act shall be the light automobiles not subject to inspection and motorcycles which are put into operation for the purpose of the business as set forth in each item of the preceding article by the persons as set forth in each item concerned.

(Limit of insurance)

Article 2. The limit of insurance under Paragraph 1, Article 13 of the Act shall be the following per dead or injured person:

- (1) A dead person
 - (a) For damage due to death (excluding the damage as set forth in subitem (b)): ¥30,000,000
 - (b) For damage due to injury resulting in death: ¥1,200,000
- (2) An injured person resulting in permanent disabilities requiring nursing care (meaning the impediments remained in a body when injuries have been cured; hereinafter the same.)

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

- (a) For damage (excluding damage as set forth in subitem (b)) due to permanent disabilities requiring nursing care in the case of permanent disabilities that require nursing care (including the case where two permanent disabilities requiring nursing care come under the same grades) in the case the permanent disabilities that require nursing care come under the grades as provided in Appendix 1: The amount as provided in the same List corresponding to the grade which said permanent disabilities requiring nursing care comes to fall
 - (b) For damage from injuries extending to permanent disabilities requiring nursing care: ¥1,200,000
- (3) An injured person (excluding persons as set forth in the preceding item)
 - (a) For damage due to injury (excluding damage as set forth in subitem (b) to subitem (f)): ¥1,200,000
 - (b) For damage due to two or more permanent disabilities which come under the 5th or higher grades as provided in Appendix 2: The amount as provided in the same List corresponding to the grade which is higher by three grades than the grade under which the heavier permanent disability comes to fall
 - (c) For damage due to two or more permanent disabilities which come under the 8th or higher grades as provided in Appendix 2 (excluding the case as set forth in subitem (b)): The amount as provided in the same List corresponding to the grade which is higher by two grades than the grade under which the heavier permanent disability comes to fall
 - (d) For damage due to two or more permanent disabilities which come under the 13th or higher grades as provided in Appendix 2 (excluding the case as set forth in subitem (b) and subitem (c)): The amount as provided in the same List corresponding to the grade which is higher by one grade than the grade under which the heavier permanent disability comes to fall (if the amount concerned exceeds the aggregate of the respective grades as provided in the same List, the amount shall be the aggregate.)
 - (e) For damage due to two or more permanent disabilities which come under the grades as provided in Appendix 2 (excluding the case as set forth in subitem (b) to subitem (d)): The amount as provided in the same List corresponding to the grade under which the heavier permanent disability comes to fall
 - (f) For damage due to permanent disability which comes under any of the grades as provided in Appendix 2 (excluding the case as set forth in subitem (b) to subitem (e)): The amount as provided in the same List corresponding to the grade under which said permanent disability comes to fall
- 2. The limit of insurance under paragraph 1, Article 13 of the Act, in respect of the damage due to the permanent disability in the event that a person already suffering from permanent disability is to be aggravated by another injury to the same part of his/her body, shall be the amount obtained by deducting, from the amount as provided in Appendix 1 or Appendix 2 corresponding to the grade of said aggravated permanent disability as provided in these same Lists, the amount as provided in these same Lists corresponding to

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

the grade as provided in these same Lists falling under the permanent disability already existed.

(Claim for payment of the amount of compensation for damage against the insurance company)

Article 3. A claim for payment of the amount of compensation for damage under Paragraph 1, Article 16 of the Act shall be made by written statement describing the following matters:

- (1) Name and address of the claimant;
 - (2) In the case of a claim for a dead person, the personal relationship between him/her and the claimant;
 - (3) Names and addresses of the defendant and victim, and the date and location of the accident;
 - (4) The automobile registration number or the vehicle number of the automobile involved in the accident as provided in the provisions of the Road Transport Vehicle Act, the identification plate number of such automobile as stipulated in Paragraph 3, Article 446 of the Local Tax Act (Act No. 226, 1950) (including the case where the provision shall be applied mutatis mutandis in Paragraph 2, Article 1 of the same Act), or the registration number of such automobile as provided in the provisions of the Convention on Road Traffic (in the case where there is no such number, the chassis number);
 - (5) Name and address of the policyholder; and
 - (6) Amount claimed and basis for calculation thereof.
2. The written statement under the preceding paragraph shall be accompanied by the following documents:
- (1) A medical certificate or coroner's certificate;
 - (2) Written statements sufficient to prove the matters under item (2) and item (3) of the preceding paragraph; and
 - (3) Written statements sufficient to prove such basis of calculation under item (6) of the preceding paragraph.

(Kind and amount of limit of loss, in which the payment of the amount of compensation or indemnity by insurance claim payment is to be limited)

Article 3-2. The loss as provided in the Cabinet Order under Article 16-2 of the Act shall be the loss incurred from the victim's inability to work for reason of medical care, and the amount as provided in the Cabinet Order under the same Article shall be ¥19,000 per day.

(Hearing, etc. of insured's opinion)

Article 4. If an insurance company intends to pay the amount of compensation for damage, such insurance company shall hear the insured's opinion in advance.

2. If an insurance company has paid the amount of compensation for damage, such insurance company shall notify the insured to that effect without delay.

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Procedure for using information and communications technology)

Article 4-2. If an insurance company wishes to submit items pursuant to the provision of Paragraph 4, Article 16-4 as stipulated in that same paragraph of the Act, the insurance company shall explain to the insured or the victim the type and details of the means it will use as stipulated in the first sentence of the same paragraph (hereinafter referred to as “electromagnetic means”) and obtain their acceptance in writing or by electromagnetic means in advance, as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance.

2. An insurance company that has obtained acceptance pursuant to the provision of the preceding paragraph shall not submit the items as stipulated in Paragraph 4, Article 16-4 of the Act to the insured or the victim by electromagnetic means if the insurance company has received request in writing or by electromagnetic means from the insured or the victim to the effect that the insured or the victim would not receive the items submitted by electromagnetic means. This shall not be applied, however, in the case where the insured or victim has again given his/her acceptance pursuant to the provision of the preceding paragraph.

Article 4-3. The provisions of the preceding Article shall be applied mutatis mutandis if the insurance company wishes to submit items as stipulated in the same paragraph pursuant to the provision of Paragraph 5, Article 16-5 of the Act.

(Amount of provisional payment by the insurance company)

Article 5. The amount of the provisional payment under Paragraph 1, Article 17 of the Act per dead person or injured person shall be as follows:

- (1) Dead person: ¥2,900,000
- (2) Person who has sustained any of the following injuries: ¥400,000
 - (a) Having symptoms that spinal cord has been damaged due to fracture of spinal column
 - (b) Fracture of brachium or forearm, also having complication
 - (c) Fracture of thigh or lower leg
 - (d) Rupture of internal organs, also having peritonitis
 - (e) Injury necessitating hospitalization for fourteen days or more, and requiring doctor’s treatment for thirty days or more
- (3) Person who has sustained any of the following injuries (excluding injuries as set forth in subitem (a) to subitem (e) of the preceding item): ¥200,000
 - (a) Fracture of spinal column
 - (b) Fracture of brachium and forearm
 - (c) Rupture of internal organs
 - (d) Injury necessitating hospitalization and requiring doctor’s treatment for thirty days or more
 - (e) Injury necessitating hospitalization for fourteen days or more
- (4) Person who has sustained injury which requires doctor’s treatment for eleven days or more (excluding any injury as set forth in subitem (a) to subitem (e) of item (2), and

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

subitem (a) to subitem (e) of the preceding item): ¥50,000

(Claim, etc. for provisional payment against the insurance company)

Article 6. The provision of Article 3 (except the part concerning the basis of calculation of the amount claimed) shall be applied mutatis mutandis to the claim for provisional payment under Paragraph 1, Article 17 of the Act.

2. The provision of Paragraph 2 of Article 4 shall be applied mutatis mutandis to the case where the provisional payment under Paragraph 1, Article 17 of the Act has been paid.

(Submission of medical certificate of the designated doctor)

Article 7. If it is regarded particularly necessary, an insurance company may request a person, who has made a claim for insurance claim payment, compensation for damages under Paragraph 1, Article 16 of the Act or the provisional payment under Paragraph 1, Article 17 of the Act, to submit a medical certificate of a doctor designated by the insurance company. In such case, any necessary expenses shall be borne by the insurance company.

(Omission of documents to be attached)

Article 8. Notwithstanding the provisions of Paragraph 2, Article 3 (including the case where the provision shall be applied mutatis mutandis in Article 6), documents under item (1) and item (2) of the same paragraph shall not be required to submit in the case of the following claims:

- (1) Claim for the provisional payment under Paragraph 1, Article 17 of the Act to be made simultaneously with the claim for compensation for damage under Paragraph 1, Article 16 of the Act;
- (2) Claim for compensation for damage under Paragraph 1, Article 16 of the Act to be made after the claim for the provisional payment under Paragraph 1, Article 17 of the Act; or
- (3) Claim for the provisional payment under Paragraph 1, Article 17 of the Act to be made after the claim for compensation for damage under Paragraph 1, Article 16 of the Act.

(Category of automobile)

Article 9. Category of automobile under item (2), Article 20 of the Act shall be as follows:

- (1) Bus: Automobiles used for transportation of persons, with the passenger capacity of eleven or more (excluding automobiles under item (5) and item (15) to item (17));
- (2) Commercial passenger automobile: Automobiles used for motor transport business, with the passenger capacity of ten or less (excluding automobiles under item (5), item (12), item (13), item (14-2), item (16) and item (17));
- (3) Private passenger automobile: Automobiles used for transportation of persons but not for motor transport business, with the passenger capacity of ten or less (excluding automobiles under item (5), item (12), item (13), and item (14-2) to item (18));
- (4) Tractor or trailer bus: Automobiles used for pulling the vehicle under the succeeding item (excluding automobiles under item (12), item (13), item (14-2) and item (16) to item (18));

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

- (5) Trailer bus: Automobiles with no engine used for transportation of persons (excluding automobiles under item (12), item (13) and item (14-2) to item (18));
- (6) Standard-size freight automobile: Standard-size automobiles under Article 3 of the Road Transport Vehicle Act used for transportation of goods (excluding automobiles under item (8), item (16) and item (17));
- (7) Tractor of standard-size trailer freight automobile: Automobiles used for pulling the automobile under the succeeding item (excluding automobiles under item (12) to item (14-2), item (16) and item (17));
- (8) Standard-size trailer freight automobile: Standard-size automobiles with no engine, under Article 3 of the Road Transport Vehicle Act, which are used for transportation of goods (excluding automobiles under item (16) and item (17));
- (9) Small-size freight automobile: Small-size automobiles under Article 3 of the Road Transport Vehicle Act used for transportation of goods (excluding automobiles under item (11), item (12), item (16) and item (17));
- (10) Tractor of small-size trailer freight automobile: Automobiles used for pulling the vehicle under the succeeding item (excluding automobiles under item (12) to item (14-2), item (16) and item (17));
- (11) Small-size trailer freight automobile: Small-size automobiles with no engine under Article 3 of the Road Transport Vehicle Act used for transportation of goods (excluding automobiles under item (12), item (16) and item (17));
- (12) Small-size two-wheeled automobile: Small-size two-wheeled automobiles under Article 3 of the Road Transport Vehicle Act (excluding automobiles under item (15) to item (17));
- (13) Light automobile: Light automobiles under Article 3 of the Road Transport Vehicle Act (excluding automobiles under item (15) to item (17));
- (14) Large-size special purpose automobile: Large-size special purpose automobiles as stipulated in Article 3 of the Road Transport Vehicle Act (excluding automobiles under item (1) to item (5) and item (15) to item (17));
- (14-2) Small-size special purpose automobile: Small-size special purpose automobiles under Article 3 of the Road Transport Vehicle Act (excluding automobiles under the succeeding item and item (17));
- (15) Emergency automobile: Fire engines, ambulances and other automobiles for emergency use as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism (excluding automobiles under the succeeding item and item (18));
- (16) Automobile for sale: Automobiles operated with the permission of temporary operation under Paragraph 1, Article 34 of the Road Transport Vehicle Act (including the case where the provision shall be applied *mutatis mutandis* in Paragraph 2, Article 73 of the same Act) or with the permission under Paragraph 1, Article 36-2 of the same Act (including the case where the provision shall be applied *mutatis mutandis* in Paragraph 2, Article 73 of the same Act), or light automobiles showing the vehicle number plate as provided in Ordinance of Ministry of Land,

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Infrastructure, Transport and Tourism operated for test run, forwarding or other special reasons;

- (17) Specific automobile: sprinklers automobiles, advertising automobiles, hearses and other automobiles for specific use as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism (excluding automobiles under the preceding item and the succeeding item);
- (18) Motorcycle: Motor-driven cycles under Paragraph 3, Article 2, of the Road Transport Vehicle Act; and
- (19) Other automobile: Automobiles other than those under each of the preceding items.

(Payment or refund of premium in the case where risk has increased or decreased)

Article 10. The amount of premium, for which the insurance company may claim payment pursuant to the provision of Paragraph 4, Article 22 of the Act or the policyholder may claim refund pursuant to the provision of Paragraph 5 of the same Article, shall be the difference between the premium calculated on a per diem basis for the number of days from the day on which the risk is increased or decreased to the last day out of the whole premium of the liability insurance contract covering the risk which existed prior to being increased or decreased, and the premium calculated on a per diem basis for the same number of days as the above out of the whole premium of the liability insurance contract covering a new risk for the same period as that of such insurance contract (in the case where the whole premium is changed after the commencement of the insurance period concerned, the premium is that prior to such change).

- 2. If the amount calculated pursuant to the provisions of the preceding paragraph contains a fractional amount less than ten yen, or if the amount calculated is less than one hundred yen, that fractional amount or the total of calculated amount shall be rounded down to zero.

(Reasons for refusal of concluding contracts of liability insurance and liability mutual aid)

Article 11. Due reasons as provided in the Cabinet Order under Paragraph 1 and Paragraph 2 of Article 24 of the Act shall be as follows:

- (1) that the application for an insurance contract is on the automobiles as stipulated in Article 10 of the Act;
- (2) that it is apparent that the applicant has made any false statement with respect of any of the matters under each item, Article 20 of the Act;
- (3) that the premium in the case of the liability insurance or the contribution in the case of the liability mutual aid has not been paid; or
- (4) that the application shall be made for a contract in which the last date, which is counted from the date of the application, of the insurance period in the case of the liability insurance or the mutual aid period in the case of the liability mutual aid shall be on or over the period as provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Provision to be applied mutatis mutandis)

Article 12. The provisions of Article 1, Article 2 through Article 8 and Article 10 shall be applied mutatis mutandis to the liability mutual aid contract. In such case, in these provisions, the words “the certificate of automobile liability insurance” shall be read as “the certificate of automobile liability mutual aid,” “limit of insurance claim” as “limit of mutual aid claim,” “insurance company” as “cooperative,” “policyholder” as “policyholder of mutual aid,” “insurance claim payment” as “mutual aid claim payment,” “insured” as “insured of mutual aid,” “liability insurance” as “liability mutual aid,” “premium” as “mutual aid premium” and “insurance period” as “mutual aid period.”

Article 13 through Article 19. Deleted.

(Indemnity amount limit for damage provided by the Automobile Liability Compensation Business)

Article 20. The amount as provided in the Cabinet Order under Paragraph 1, Article 72 of the Act shall be those respectively provided in Article 2 as a dead or an injured person.

2. The provisions of Article 3-2 shall be applied mutatis mutandis to the indemnity for damages to be conducted by the Government pursuant to the provisions of Paragraph 1, Article 72 of the Act.

(Acts and regulations to be provided in the Cabinet Order under Paragraph 1, Article 73 of the Act)

Article 21. The Acts and regulations to be provided in the Cabinet Order under Paragraph 1, Article 73 of the Act shall be as follows:

- (1) The Mariners Insurance Act (Act No. 73, 1939);
- (2) The Labor Standard Act (Act No. 49, 1947; including the case where it follows this Act in other Acts);
- (3) The Mariners Act (Act No. 100, 1947; including the case where it follows this Act in other Acts);
- (4) The Disaster Relief Act (Act No. 118, 1947);
- (5) The Fire Service Formation Act (Act No. 226, 1947);
- (6) The Fire Service Act (Act No. 186, 1948);
- (7) The Flood Prevention Act (Act No. 193, 1949);
- (8) The Government Employees' Accident Compensation Act (Act No. 191, 1951; including the cases where the provisions shall be applied mutatis mutandis to other Acts or it follows this Act in other Acts);
- (9) The Act concerning Disaster Benefits to whom Cooperated and Assisted in Duties of Police Officers (Act No. 245, 1952);
- (10) The Act concerning Disaster Benefits to whom Cooperated and Assisted in Maritime Safety Agents (Act No. 33, 1953);
- (11) The Act concerning Accident Compensation on Public Service by School Doctors, School Dentists and School Pharmacists of Public Schools (Act No. 143, 1957);
- (12) The Act concerning Benefits for Damage Sustained by Witnesses, etc. (Act No. 109, 1958);

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

- (13) The Government Employees' Mutual Aid Society Act (Act No. 128, 1958; including the cases where the provisions shall be applied mutatis mutandis to other Acts and it follows the instances in other Acts);
- (14) The National Health Insurance Act (Act No. 192, 1958);
- (15) The Basic Act for Countermeasures against Disasters (Act No. 223, 1961);
- (16) The Local Government Employees' Mutual Aid Society Act (Act No. 152, 1962);
- (17) The Rivers Act (Act No. 167, 1964);
- (18) The Local Government Employees' Accident Compensation Act (Act No. 121, 1967);
- (19) The Act of Health and Medical Service System for the Aged (Act No. 80, 1982);
- (20) The Long-term Care Insurance Act (Act No.123, 1997); and
- (21) The Act Concerning Measures to Protect Citizens in the Case of Armed Attack, etc. (Act No. 112, 2004).

(Entrustment of the Automobile Liability Compensation Business)

Article 22. The Government may entrust the insurance companies or the cooperatives, pursuant to the provisions of Paragraph 1, Article 77 of the Act, with the receipt of the claims for payment of indemnity for damages, investigation of the amount of damage to be indemnified, payment of indemnity for damages and other business pursuant to the provisions of Paragraph 1, Article 72 of the Act, except for decision of the amount of indemnity for damages.

- 2. As an entrustment fee, the Government shall pay to the insurance companies or the cooperatives, with which the business was entrusted pursuant to the provisions of the preceding paragraph, the amount which is to cover the appreciate cost incurred under efficient management.
- 3. The method of payment of the entrustment fee under the preceding paragraph and other rules concerning the entrustment contract pursuant to the provisions of Paragraph 1 shall be provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

(Delegation of authority)

Article 23. The authority as provided in the Cabinet Order under Paragraph 1, Article 84 of the Act shall be the authority of the Prime Minister as stipulated in Article 35 of the Act.

- 2. The authority of the Minister of Land, Infrastructure, Transport and Tourism as stipulated in Paragraph 4, Article 9-2 of the Act which shall be applied mutatis mutandis in Paragraphs 1 and 4 of Article 10-2 of the Act shall be exercised by the Directors-General of District Transport Bureaus.
- 3. The authority of the Minister of Land, Infrastructure, Transport and Tourism as stipulated in Paragraph 1 of Article 85 of the Act may be exercised by the Directors-General of the District Transport Bureaus.

(Delegation to Ordinance of Ministry of Land, Infrastructure, Transport and Tourism)

Article 24. In addition to those provided in this Cabinet Order, the procedures and other matters necessary for enforcement of the Act and this Cabinet Order shall be provided in Ordinance of Ministry of Land, Infrastructure, Transport and Tourism.

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Supplementary Provisions

(Effective date)

1. This Cabinet Order shall take effect as from December 1, 1955. However, the provisions of Paragraph 2 and Paragraph 3 of the Supplementary Provisions shall take effect as from October 20, 1955 and the provisions of Article 11, Article 17 through Article 21 and Article 23 shall take effect as from February 1, 1956.

(Grants of subsidies appropriated for premiums, etc.)

2. Subsidies appropriated for premiums, etc. pursuant to the provision of Article 7 of the Supplementary Provisions to the Act shall be granted based on application by an insurance company or cooperative.

(Payment or refund of premiums or contributions in the case of increased or decreased risk when subsidies appropriated for premiums, etc. will be granted)

3. Notwithstanding the provisions of Article 10 (including the case where the provision shall be applied mutatis mutandis in Article 12; the same shall be applied below in this paragraph,) the amount of the premium or contribution that an insurance company or cooperative may claim for payment pursuant to the provisions of Paragraph 4, Article 22 of the Act (including the case where the provision shall be applied mutatis mutandis in paragraph 1, Article 23-3 of the Act), or that a policyholder or policyholder of mutual aid may claim for refund pursuant to the provisions of Paragraph 5, Article 22 of the Act (including the case where the provision shall be applied mutatis mutandis in Paragraph 1, Article 23-3 of the Act) under contract for liability insurance or liability mutual aid that becomes effective during the period of time from April 1, 2002 to March 31, 2008 shall be as follows:
 - (1) In the case where the risk increases: The amount determined by adding to the amount calculated pursuant to the provisions of Article 10 an amount corresponding to the subsidies appropriated for premiums, etc. allocated to part of the premium or contribution for the contract prior to the increase in risk based on the provisions of Paragraph 7 of the Supplementary Provisions to the Act, and by subtracting the amount of subsidies appropriated for premiums, etc. that should be applied in the case where the contract is formed after the increase in risk
 - (2) In the case where the risk decreases: The amount determined by subtracting from the amount calculated pursuant to the provisions of Article 10 an amount corresponding to the subsidies appropriated for premiums, etc. allocated to part of the premium or contribution for the contract prior to the decrease in risk based on the provisions of Paragraph 7 of the Supplementary Provisions to the Act, and by adding the amount of subsidies appropriated for premiums, etc. that should be applied in the case where the contract is formed after the decrease in risk

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Supplementary Provisions (Cabinet Order No. 315, October 15, 2004)

(Effective date, etc.)

Article 1. This Cabinet Order shall take effect as from the date of promulgation, and the provisions of the revised Order for Enforcement of the Automobile Liability Security Act (hereinafter referred to as “new Ordinance”) shall be applied to accidents resulting from the operation of an automobile that occur on and after July 1, 2004.

(Interim measures)

Article 2. With regard to application of the provisions of the Appendix 2 of the new Ordinance concerning accidents resulting from the operation of an automobile that occur on and after July 1, 2004 and until the date before this Cabinet Order becomes effective; the words in item 6 of 7th Grade of the same List, “Loss of three digits including the thumb,” shall be read as “Loss of the thumb and the index finger, loss of three digits including the thumb or index finger”; in item 3 of 8th Grade, “Loss of two digits including the thumb” as “Loss of the thumb and one finger other than the index finger,” “other than the thumb” as “other than the thumb and the index finger”; in item 4 of the same Grade, “Loss of the use of three digits including the thumb,” as “Loss of the use of the thumb and the index finger, loss of the use of three digits including the thumb or index finger”; in item 13 of 9th Grade of the same List, “Loss of the use of two digits including the thumb” as “Loss of the use of the thumb and one finger other than the index finger,” “other than the thumb” as “other than the thumb or index finger”; in item 7 of 10th Grade of the same List, “Loss of the use of the thumb on one hand, or loss of the use of two digits” as “Loss of the index finger on one hand, or loss of the use of the thumb or two digits”; in item 8 of 11th Grade of the same List, “Loss of the index finger, the middle finger or the ring finger” as “Loss of the middle finger or the ring finger on one hand, or loss of the use of the index finger”; in item 10 of 12th Grade of the same List, “the index finger, the middle finger” as “the middle finger”; in item 7 of 13th Grade of the same List, “the thumb ” as “the thumb or the index finger,” “on one hand” as “on one hand, or inability to bend and stretch the distal interphalangeal joint of the index finger on one hand”; in items 6 and 7 of 14th Grade of the same List, “the thumb” shall be read as “the thumb or the index finger.”

Supplementary Provisions (Cabinet Order No. 116, May 2, 2011)

This Cabinet Order shall take effect as from the day of enforcement, and the provisions in the revised Order for Enforcement of the Automobile Liability Security Act shall be applied to the accidents caused by the operation of automobile on and after June 20, 2010.

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Appendix List 1 (Related to Article 2)

Grade	Permanent disability requiring nursing care	Limit of insurance
1st grade	(1) Severe disabilities in the functions of the nervous system or in mentality, requiring nursing care at all times. (2) Severe disabilities in the functions of the thorax and abdominal organs, requiring nursing care at all times.	¥40,000,000
2nd grade	(1) Severe disabilities in the functions of the nervous system or in mentality, requiring nursing care as needed. (2) Severe disabilities in the functions of the thorax and abdominal organs, requiring nursing care as needed.	¥30,000,000

Note: Permanent disabilities, which do not fall under those stated in the Appendix List but whose conditions are equivalent to those of the respective grades stated in the Appendix List, shall be deemed to fall under the said grades.

Appendix List 2 (Related to Article 2)

Grade	Permanent disability	Limit of insurance
1st grade	(1) Loss of sight of both eyes. (2) Loss of functions of both mastication and speech. (3) Loss of both upper limbs upwards of the elbow joint. (4) Total loss of the functions of both upper limbs. (5) Loss of both lower limbs upwards of the knee joint. (6) Total loss of the functions of both lower limbs.	¥30,000,000
2nd grade	(1) Loss of sight of one eye and partial loss of vision of the other eye to 0.02 or less. (2) Partial loss of vision of both eyes to 0.02 or less. (3) Loss of both upper limbs upwards of the wrist joint. (4) Loss of both lower limbs upwards of the ankle joint.	¥25,900,000
3rd grade	(1) Loss of sight of one eye and partial loss of vision of the other eye to 0.06 or less. (2) Loss of the functions of either mastication or speech. (3) Severe disabilities in the functions of the nervous system or in mentality, causing inability to engage in work for the remainder of the victim's life. (4) Severe disabilities in the functions of the thorax and abdominal organs, causing inability to engage in work for the remainder of the victim's life. (5) Loss of all digits on both hands.	¥22,190,000
4th grade	(1) Partial loss of vision of both eyes to 0.06 or less. (2) Severe disabilities in the functions of both mastication and	¥18,890,000

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Grade	Permanent disability	Limit of insurance
	<p>speech.</p> <p>(3) Total loss of hearing of both ears.</p> <p>(4) Loss of one upper limb upwards of the elbow joint.</p> <p>(5) Loss of one lower limb upwards of the knee joint.</p> <p>(6) Loss of the use of all digits on both hands.</p> <p>(7) Loss of both legs upwards of the Lisfranc's joints.</p>	
5th grade	<p>(1) Loss of sight of one eye and partial loss of vision of the other eye to 0.1 or less.</p> <p>(2) Severe disabilities in the functions of the nervous system or in mentality, causing inability to engage in anything but very light work.</p> <p>(3) Severe disabilities in the functions of the thorax and abdominal organs, causing inability to engage in anything but very light work.</p> <p>(4) Loss of one upper limb upwards of the wrist joint.</p> <p>(5) Loss of one lower limb upwards of the ankle joint.</p> <p>(6) Total loss of the use of one upper limb.</p> <p>(7) Total loss of the use of one lower limb.</p> <p>(8) Loss of all toes on both feet.</p>	¥15,740,000
6th grade	<p>(1) Partial loss of vision of both eyes to 0.1 or less.</p> <p>(2) Severe disabilities in the functions of either mastication or speech.</p> <p>(3) Partial loss of hearing of both ears to such a degree of inability to hear a loud voice unless it is close to the ear.</p> <p>(4) Total loss of hearing of one ear and partial loss of hearing of the other ear to such a degree of inability to hear a normal speaking voice at a distance of 40 centimeters or more.</p> <p>(5) Severe deformity or motor impediment of the spinal column.</p> <p>(6) Loss of the use of two of the three major joints in one upper limb.</p> <p>(7) Loss of the use of two of the three major joints in one lower limb.</p> <p>(8) Loss of five digits on one hand, or loss of four digits including the thumb on one hand.</p>	¥12,960,000
7th grade	<p>(1) Loss of sight of one eye and partial loss of vision of the other eye to 0.6 or less.</p> <p>(2) Partial loss of hearing of both ears to such a degree of inability to hear a normal speaking voice at a distance of 40 centimeters or more.</p> <p>(3) Total loss of hearing of one ear and partial loss of hearing of the other ear to such a degree of inability to hear a normal speaking voice at a distance of 1 meter or more.</p>	¥10,510,000

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Grade	Permanent disability	Limit of insurance
	<ul style="list-style-type: none"> (4) Disabilities in the functions of the nervous system or in mentality, causing inability to engage in anything but light work. (5) Disabilities in the functions of the thorax and abdominal organs, causing inability to engage in anything but light work. (6) Loss of three digits including the thumb on one hand, or loss of four digits other than the thumb on one hand. (7) Loss of the use of five digits on one hand, or loss of the use of four digits including the thumb on one hand. (8) Loss of one leg upwards of the Lisfranc's joints. (9) Pseudoarthrosis with a severe motor impediment of one upper limb. (10) Pseudoarthrosis with a severe motor impediment of one lower limb. (11) Loss of the use of all toes on both feet. (12) Severe deformity of appearance. (13) Loss of both testicles. 	
8th grade	<ul style="list-style-type: none"> (1) Loss of sight of one eye or partial loss of vision of one eye to 0.02 or less. (2) Motor impediment of the spinal column. (3) Loss of two digits including the thumb on one hand, or loss of three digits other than the thumb on one hand. (4) Loss of the use of three digits including the thumb on one hand, or loss of the use of four digits other than the thumb on one hand. (5) Shortening of one lower limb by five centimeters or more. (6) Loss of the use of one of three major joints in one upper limb. (7) Loss of the use of one of three major joints in one lower limb. (8) Pseudoarthrosis in one upper limb. (9) Pseudoarthrosis in one lower limb. (10) Loss of all toes on one foot. 	¥8,190,000
9th grade	<ul style="list-style-type: none"> (1) Partial loss of vision of both eyes to 0.6 or less. (2) Partial loss of vision of one eye to 0.06 or less. (3) Hemianopsia, contraction of the visual field or distortion of the visual field of both eyes. (4) Severe loss of both eyelids. (5) Loss of nose with severe disabilities in the functions thereof. (6) Disabilities in the functions of both mastication and speech. (7) Partial loss of hearing of both ears to such a degree of inability to hear a normal speaking voice at a distance of one meter or more. (8) Partial loss of hearing of one ear to such a degree of inability to hear a loud voice unless it is close to the ear, and partial loss of 	¥6,160,000

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Grade	Permanent disability	Limit of insurance
	<p>hearing of the other ear to such a degree of difficulty to hear a normal speaking voice at a distance of one meter or more.</p> <p>(9) Total loss of the hearing of one ear.</p> <p>(10) Disabilities in the functions of the nervous system or in mentality, causing inability to engage in anything but limited work to a considerable extent.</p> <p>(11) Disabilities in the functions of the thorax and abdominal organs, causing inability to engage in anything but limited work to a considerable extent.</p> <p>(12) Loss of the thumb on one hand, or loss of two digits other than the thumb on one hand.</p> <p>(13) Loss of the use of two digits including the thumb on one hand, or loss of the use of three digits other than the thumb on one hand.</p> <p>(14) Loss of two or more toes on one foot including big toe.</p> <p>(15) Loss of the use of all toes on one foot.</p> <p>(16) Considerable deformity of appearance.</p> <p>(17) Severe disabilities of the genital organs.</p>	
10th grade	<p>(1) Partial loss of vision of one eye to 0.1 or less.</p> <p>(2) Diplopia in the case of looking forward.</p> <p>(3) Disabilities in the functions of either mastication or speech.</p> <p>(4) Dental prostheses on fourteen teeth or more.</p> <p>(5) Partial loss of hearing of both ears to such a degree of difficulty to hear a normal speaking voice at a distance of one meter or more.</p> <p>(6) Partial loss of hearing of one ear to such a degree of inability to hear a loud voice unless it is close to the ear.</p> <p>(7) Loss of the use of the thumb on one hand, or loss of the use of two digits other than the thumb on one hand.</p> <p>(8) Shortening of one lower limb by three centimeters or more.</p> <p>(9) Loss of the big toe on one foot, or loss of four toes other than the big toe on one foot.</p> <p>(10) Severe disabilities in the functions of one of three major joints of one upper limb.</p> <p>(11) Severe disabilities in the functions of one of three major joints of one lower limb.</p>	¥4,610,000
11th grade	<p>(1) Severe disabilities in focusing or motor impediments of both eyeballs.</p> <p>(2) Severe motor impediments of both eyelids.</p> <p>(3) Severe residual loss of one eyelid.</p> <p>(4) Dental prostheses on ten teeth or more.</p> <p>(5) Partial loss of hearing of both ears to such a degree of inability to</p>	¥3,310,000

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Grade	Permanent disability	Limit of insurance
	<p>hear a small voice at a distance of one meter or more.</p> <p>(6) Partial loss of hearing of one ear to such a degree of inability to hear a normal speaking voice at a distance of forty centimeters or more.</p> <p>(7) Deformity of the spinal column.</p> <p>(8) Loss of the index finger, the middle finger or the ring finger on one hand</p> <p>(9) Loss of the use of two or more toes on one foot including big toe.</p> <p>(10) Disabilities in the functions of the thorax and abdominal organs, causing significant impairment to work performance</p>	
12th grade	<p>(1) Severe disabilities in the function of focusing or motor impediments of one eyeball.</p> <p>(2) Severe motor impediments of one eyelid.</p> <p>(3) Dental prostheses on seven teeth or more.</p> <p>(4) Loss of major part of auricle of one ear.</p> <p>(5) Severe deformity of the clavicle, sternum, ribs, scapula or pelvis.</p> <p>(6) Disabilities in the functions of one of three major joints of one upper limb.</p> <p>(7) Disabilities in the functions of one of three major joints of one lower limb.</p> <p>(8) Deformity of a long pipe bone.</p> <p>(9) Loss of the little finger on one hand.</p> <p>(10) Loss of the use of the index finger, the middle finger or the ring finger on one hand.</p> <p>(11) Loss of the second toe on one foot, loss of two toes including the second toe on one foot, or loss of all of the third to fifth toes on one foot.</p> <p>(12) Loss of the use of the big toe on one foot, or loss of the use of four toes other than the big toe on one foot.</p> <p>(13) Obstinate nervous symptoms in affected parts.</p> <p>(14) Deformity of appearance.</p>	¥2,240,000
13th grade	<p>(1) Partial loss of vision of one eye to 0.6 or less.</p> <p>(2) Diplopia except in the case of looking forward.</p> <p>(3) Hemianopsia, contraction of the visual field, or distortion of the visual field of one eye.</p> <p>(4) Loss of parts of eyelids or residual baldness of eyelashes of both eyes.</p> <p>(5) Dental prostheses on five teeth or more.</p> <p>(6) Loss of the use of the little finger on one hand.</p> <p>(7) Loss of part of the bones of the thumb on one hand.</p>	¥1,390,000

ORDER FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Grade	Permanent disability	Limit of insurance
	(8) Shortening of one lower limb by one centimeter or more. (9) Loss of one or two of the third to fifth toes on one foot. (10) Loss of the use of the second toe on one foot, loss of the use of two toes including the second toe on one foot, or loss of the use of all of the third to fifth toes on one foot. (11) Disabilities in the functions of the thorax and abdominal organs.	
14th grade	(1) Loss of a part of one eyelid, or residual baldness of eyelashes of one eye. (2) Dental prostheses on three teeth or more. (3) Partial loss of hearing of one ear to such a degree of inability to hear a small voice at a distance of one meter or more. (4) Palm-size ugly scar on the exposed part of one upper limb. (5) Palm-size ugly scar on the exposed part of one lower limb. (6) Loss of part of the bones of digit other than the thumb on one hand. (7) Inability to bend and stretch the distal interphalangeal joint of digit other than the thumb on one hand. (8) Loss of the use of one or two of the third to fifth toes on one foot. (9) Nervous symptoms in affected parts.	¥750,000

Remarks:

- (1) The measure of vision shall be made according to the international sight-testing chart. In the case of ametropia, such measure shall be made with respect to corrected vision.
- (2) Loss of the thumb, a finger or a digit shall mean loss of, as to the thumb, the part upwards of the interphalangeal joint, and as to a finger, the parts upwards of the proximal interphalangeal joint.
- (3) Loss of the use of the thumb, a finger or a digit shall mean loss of a half or more of the distal phalanx of the thumb and a finger, or severe motor impediments in the metacarpophalangeal joint or the proximal interphalangeal joint (as to the thumb, the interphalangeal joint).
- (4) Loss of a toe shall mean loss of whole part thereof.
- (5) Loss of the use of a toe shall mean loss of the use of, as to the big toe, a half or more of the distal phalanx, and as to a toe other than the big toe, the distal interphalangeal joint or upwards, or severe motor impediments in the metatarsophalangeal joint or the proximal interphalangeal joint (as to the big toe, the interphalangeal joint).
- (6) Permanent disabilities, which do not fall under those stated in the Appendix List but whose conditions are equivalent to those of the respective grades stated in the Appendix List, shall be deemed to fall under the said grades.

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Ordinance of the Ministry of Transport No. 66, December 1, 1955)

History of Amendment

No. 1, January 13, 1956	No. 39, November 29, 2000
No. 27, May 21, 1956	Ordinance of the Ministry of Land,
No. 19, May 25, 1960	Infrastructure, Transport and Tourism
No. 39, July 14, 1962	No. 149, December 21, 2001
No. 55, September 29, 1962	No. 79, June 28, 2002
No. 50, October 1, 1963	No. 83, August 17, 2004
No. 2, February 1, 1964	No. 57, May 20, 2005
No. 65, September 5, 1964	No. 104, November 2, 2005
No. 46, July 30, 1966	No. 24, March 30, 2007
No. 59, December 26, 1969	No. 76, September 1, 2008
No. 10, February 20, 1970	No. 6, March 29, 2010
No. 81, September 18, 1970	No. 63, December 28, 2010
No. 92, December 17, 1970	
No. 32, May 13, 1972	
No. 57, September 29, 1972	
No. 33, September 28, 1973	
No. 37, October 30, 1973	
No. 44, November 27, 1973	
No. 58, December 22, 1973	
No. 53, December 26, 1974	
No. 22, June 27, 1975	
No. 44, October, 30, 1975	
No. 1, January 19, 1977	
No. 36, June 27, 1978	
No. 8, March 15, 1983	
No. 18, June 22, 1984	
No. 5, February 5, 1985	
No. 12, April 11, 1988	
No. 24, July 20, 1989	
No. 15, May 24, 1991	
No. 25, July 29, 1993	
No. 48, November 1, 1994	
No. 7, February 27, 1995	
No. 50, September 13, 1996	
No. 61, November 25, 1996	

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Certificate of automobile liability insurance)

Article 1. The form of a certificate of automobile liability insurance under paragraph 1, Article 7 of the Automobile Liability Security Act (Act No. 97, 1955; hereinafter referred to as “Act”) shall be in accordance with Form No. 1.

(Method of preparing a copy of the certificate of automobile liability insurance)

Article 1-2. The method as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under the proviso of paragraph 1, Article 9 of the Act shall be as follows:

- (1) to copy the certificate of automobile liability insurance (including the certificate of automobile liability mutual aid; hereinafter the same shall be applied in this Article), using a copy machine;
- (2) to prepare a copy, on the paper in the same form as that of the certificate of automobile liability insurance, by the same handwriting as that for preparation of such certificate of automobile liability insurance, using a copy paper.
- (3) for the person who has issued the certificate of automobile liability insurance or who has been presented pursuant to the provision of paragraph 6, Article 9 of the Act to transfer the matters described in such certificate of automobile liability insurance to the paper in the same form as that of such certificate of automobile liability insurance, and sign and seal thereon.

(Electromagnetic method)

Article 1-3. The method as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under paragraph 2, Article 9 of the Act shall be one of the methods cited below.

- (1) The method of using an electronic information processing system to connect a computer used by the sender to a computer used by the receiver via telecommunications lines, whereby information is transmitted via said telecommunications lines and recorded in a file installed in a computer used by the receiver.
- (2) The method of issuing information recorded on a file prepared using a magnetic disk or other equivalent medium whereby certain information may be recorded reliably.

(Referrals to registered information processing organizations)

Article 1-4. The referral cited in paragraph 4, Article 9 of the Act shall be made using an electromagnetic method, with regard to matters to be described on certificates of automobile liability insurance provided to a registered information processing organization pursuant to paragraph 2 of said Article.

2. On receiving the referral cited in the preceding paragraph, the registered information processing organization must use an electromagnetic method to notify said administrative agency concerning matters pertaining to said inquiry.

(Insurance sticker)

Article 1-5. The insurance sticker under paragraph 1, Article 9-2 of the Act shall be in

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

accordance with Form No. 1-2.

2. The expiration date of the insurance period under paragraph 2, Article 9-2 of the Act shall be shown using the year and the month.
3. The insurance sticker shall be displayed by being stuck legibly from forward on the outer side of the windshield glass of the light automobile which is not subject to inspection (meaning light automobile which is not subject to inspection under paragraph 1, Article 58 of the Road Transport Vehicle Act (Act No. 185, 1951; hereinafter the same shall be applied)), motorcycle (meaning motor driven cycle under paragraph 3, Article 2 of the Road Transport Vehicle Act; hereinafter the same shall be applied) or automobile registered in the contracting state (meaning automobile registered in the contracting state under paragraph 1, Article 9-2 of the Act; hereinafter the same shall be applied). However, the insurance sticker shall be displayed by being stuck legibly respectively; in the case of the light automobile not subject to inspection which has no driver's room or the windshield glass and the light automobile not subject to inspection which is put into operation with a temporary operation number plate borrowed pursuant to the provision of paragraph 3, Article 63-2 of the Ordinance for Enforcement of the Road Transport Vehicle Act (the Ordinance of Ministry of Transport No. 74, 1951), on the left upper part of the vehicle number plate fixed on the rear of the vehicle; in the case of the motorcycle which has no driver's room or the wind shield glass, on the identification plate (meaning the identification plate as stipulated in paragraph 3, Article 446 (including the case where the provisions shall be applied mutatis mutandis in paragraph 2, Article 1 of the Act) of the Local Tax Act (Act No. 226, 1950); hereinafter the same shall be applied) (or on the front of the motorcycle in the case where there exists no identification plate or it is difficult to stick it on the identification plate); in the case of an automobile registered in the contracting state which has no driver's room or the windshield glass, on the rear of the automobile registered in the contracting state.

Article 1-6. A person who requests reissue of the insurance sticker pursuant to the provision of paragraph 4, Article 9-2 of the Act shall present the certificate of automobile liability insurance to the insurance company.

2. The cases as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under paragraph 4, Article 9-2 of the Act shall be as follows:
 - (1) in the case where the windshield glass on which the insurance sticker is stuck has become unusable due to loss or damage;
 - (2) in the case where it has become unable to indicate the vehicle number plate or the indication plate on which the insurance sticker was stuck due to loss, damage or difficulty in identifying them; or
 - (3) in the case where it is regarded that there is any other due reason for receipt of the reissue.

(Entrustment to insurance companies)

Article 1-7. The entrustment to insurance companies cited in Article 1 of Order for Enforcement of the Automobile Liability Security Act (Cabinet Order No. 286 of 1955;

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

hereinafter “the Order”) may be made by using an electronic information processing system prescribed in paragraph 1, Article 3 of the Act Concerning Utilization of Information Communication Technology in Administrative Procedures and Other Procedures (Act No. 151 of 2002) pursuant to the provisions of said paragraph, limited to cases in which the person making said entrustment is to make the application cited in Article 7 paragraph 1 of the Road Transport Vehicle Act for a motor vehicle that has not been registered.

(Description of basis for calculation of the amount claimed)

Article 2. The description of basis for calculation under item (6), paragraph 1, Article 3 of the Order, shall be made by specifying the particulars related to claim of medical fee, the contents and the grounds of the amount of damage.

(Damage which should be reported regarding payment, etc.)

Article 3. The damage as provided in the Order of Ministry of Land, Infrastructure, Transport and Tourism under Article 16-6 of the Act shall be damage which comes under subitem (a), item (1), paragraph 1, Article 2 of the Order, damage which comes under subitem (a), item (2) of the same paragraph, damage which comes under subitem (b) through subitem (e) of item (3) of the same paragraph, damage which comes under subitem (f), item (3) of the same paragraph and the 1st grade through 3rd grade of Appendix 1 of the Order, damage which comes under paragraph 2 of the same Article, and damage which comes under Note 1 of Appendix 1 of the Order or Note 6 of Appendix 2 of the Order.

(Matters for filing)

Article 3-2. If an insurance company decides to file pursuant to the provisions of Article 16-6 of the Act, it shall submit to the Minister of Land, Infrastructure, Transport and Tourism a filing describing the matters as set forth below:

- (1) Details of the circumstances of the accident;
- (2) The names, ages and addresses of the insured, wrongdoer and victim, and all other material facts related to the insured, wrongdoer and victim;
- (3) The amount of payment for each damage as set forth in paragraph 1, Article 2 of the Order;
- (4) Specific details of the expenses incurred for payment due to the accident, profit lost due to the accident, pain and suffering and other damages, and the details of the calculations for each reported item;
- (5) In the case of permanent disabilities, the grade comes to fall and the details of the reason for determining such grade;
- (6) In the case of reducing the amount of damage for an insurance claim payment, etc., the percentage of the reduction and the details of the reasons for such determination;
- (7) In the case where the insurance company has determined that the insured is not liable to compensate for damage, the details of the reason for such determination;
- (8) In the case where the insurance company has determined that damage did not result due to an accident, the details of the reason for such determination; and

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

- (9) In the case where the insurance company has determined that it is to be exempted from liability to indemnify for damage based on the provisions of Article 14 of the Act, the details of the reasons for such determination.

(Emergency automobile)

Article 4. Automobile as provided in the Order of Ministry of Land, Infrastructure, Transport and Tourism under item (15), Article 9 of the Order shall be police automobile equipped with the warning light and the siren as stipulated in paragraph 1, Article 49 of the Safety Regulations of Road Transportation Vehicles (the Order of Ministry of Transport No. 67, 1951).

(Vehicle number plate as provided in the Order of Ministry of Land, Infrastructure, Transport and Tourism under item (16), Article 9 of the Order)

Article 4-2. The vehicle number plate as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under item (16), Article 9 of the Order shall be the temporary operation number plate borrowed as the vehicle number plate pursuant to the provision of proviso of paragraph 3, Article 63-2 of the Order for Enforcement of the Road Transport Vehicle Act.

(Specific automobile)

Article 5. Automobiles as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under item (17), Article 9 of the Order shall be as follows:

- (1) Automobile for medical treatment and epidemics prevention;
- (2) Automobile for machining work;
- (3) Wiring repair automobile;
- (4) Crane automobile;
- (5) Mail service automobile;
- (6) Sanitation automobile;
- (7) Automobile with sleeping facilities;
- (8) Concrete-mixer automobile;
- (9) Radio communication automobile;
- (10) Library automobile;
- (11) Kitchen automobile;
- (12) Automobile for training drivers (meaning motor vehicle for the use of the designated driving school under paragraph 1 of Article 98 of the Road Traffic Act (Act No. 105, 1960) exclusively for training driving techniques); and
- (13) Other automobiles that are similar to those as set forth in each of the preceding items in terms of structures, devices and uses.

(Requirements for cancellation of contracts of the liability insurance)

Article 5-2. The policyholder may cancel contract of the liability insurance in the cases:

- (1) where, in respect to the registered automobile, the policyholder has received the permanent deletion registration pursuant to the provision of paragraph 1, Article 15 of the Road Transport Vehicle Act, or a notice of the permanent deletion registration

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

pursuant to the provision of paragraph 5 of the same Article (limited to the cases coming under the reasons as set forth in item(2), paragraph 1 of the same Article), where he/she has received the tentative deletion registration for export pursuant to the provision of paragraph 2, Article 15-2 of the same Act, or where he/she has received the temporary deletion registration pursuant to the provision of paragraph 2, Article 16 of the same Act;

- (2) where, in respect of the light automobile or small-sized motor vehicle with two wheels, the use thereof has been terminated and the vehicle number plate has been submitted to the Director-General of the Transport Supervision Department, the Chief of a Transport Branch Office or the Light Motor Vehicle Inspection Organization;
- (3) where, in respect of small-size special purpose automobile or motorcycle, the use thereof has been terminated (in the case where it is provided in the Ordinance of a special ward, city, town or village that small-size special purpose automobile or motorcycle shall be posted the indication plate issued by such special ward, city, town or village, limited to the case that such indication plate has been submitted to the head of the special ward, city, town or village);
- (4) where, in respect of automobile which have been issued the registration certificate (meaning the registration certificate under paragraph 1, Article 5 of the Act concerning Special Treatments, etc. to the Road Transport Vehicle Act regarding the Enforcement of the Convention on Road Traffic (Act No. 109, 1964; hereinafter referred to as “Special Treatments Act”); hereinafter the same shall be applied), the export permission thereof under Article 67 of the Customs Act (Act No. 61, 1954) has been obtained for the use thereof in any of the contracting states under paragraph 2, Article 2 of the Special Treatments Act;
- (5) where, in respect of automobile registered in the contracting state, the export permission thereof under Article 67 of the Customs Act has been obtained;
- (6) where, in respect of motor vehicle put into operation with the permission for temporary operation under paragraph 1, Article 34 of the Road Transport Vehicle Act (including the case where the provisions shall be applied mutatis mutandis in paragraph 2, Article 73 of the same Act), the temporary operation permission number plate has been returned to the competent administrative agencies;
- (6-2) where, in respect of motor vehicle put into operation with the permission under paragraph 1, Article 36-2 of the Road Transport Vehicle Act (including the case where the provisions shall be applied mutatis mutandis in paragraph 2, Article 73 of the same Act), the forwarding operation permission number plate has been returned to the Director-General of the Transport Supervision Department or the Chief of a Transport Branch Office; or
- (7) where, in respect of light automobile not subject to inspection which is put into operation with the temporary operation number plate borrowed pursuant to the provision of paragraph 3 of Article 63-2 of the Enforcement Regulations of the Road Transport Vehicle Act, the temporary driving number plate has been returned to the

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Director-General of the Transport Supervision Department or the Chief of a Transport Branch Office.

(On-the-spot inspections)

Article 6. The proof of identity in paragraph 2, Article 23-2 (including the case where the provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3) shall be in accordance with Form No. 2.

(Time period as provided in the Minister of Land, Infrastructure, Transport and Tourism Ordinance under item (4), Article 11 of the Order)

Article 7. The time period as provided in the Ordinance of Ministry of Land, Infrastructure, Transport and Tourism under item (4), Article 11 of the Order shall be as follows:

- (1) with regard to automobile under paragraph 1, Article 58 of the Road Transport Vehicle Act (excluding automobile under item (3) hereof), the time period determined by adding one month to the effective period of motor vehicle inspection certificate pursuant to the provisions of the same Act;
- (2) with regard to small-size special purpose automobile under item (14-2), Article 9 of the Ordinance, light automobile which is not subject to inspection or motorcycle, the time period determined by adding one month to the insurance period or mutual aid period of the liability insurance contract or liability mutual aid contract that will be concluded; and
- (3) with regard to automobile for sale under item (16), Article 9 of the Ordinance, one year.

(Application mutatis mutandis in the provisions concerning liability insurance)

Article 8. The provisions of Article 1, Article 1-5 through Article 3-2 and Article 5-2 shall be applied mutatis mutandis to liability mutual aid.

Article 9 through Article 26. Deleted.

(Claim for indemnity for damage to the Government)

Article 27. The claim for indemnity for damage under paragraph 1, Article 72 of the Act shall be made in writing describing the following matters:

- (1) Name and address of the claimant;
- (2) In the case of a claim in respect of a dead person, the personal relations between the claimant and the dead;
- (3) Name and address of the victim, and the date, time and location of which an injurious act took place;
- (4) In the case of a claim pursuant to the provisions of the second sentence of paragraph 1, Article 72 of the Act, the name and address of the wrongdoer;
- (5) Reasons for being able to make a claim for indemnity for damage to the Government pursuant to the provision of paragraph 1, Article 72 of the Act;
- (6) The automobile registration number or the vehicle number, and in the case of the indication plate number or the registration number pursuant to the provisions of the

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

Convention on Road Traffic (in the case where there is no such number, the chassis number) of the automobile concerned is known, such number;

- (7) In the case where any benefit corresponding to indemnity for damage pursuant to the provision of paragraph 1, Article 72 of the Act shall be received in accordance with other Acts and regulations, the basis of such benefit and the amount thereof; and
 - (8) The amount claimed and the basis of calculation thereof (the particulars related to the claim for medical fee, the contents of the amount of damage and basis therefor shall be specified).
2. The written statement in the preceding paragraph shall be attached by the following documents:
 - (1) Medical certificate or coroner's certificate;
 - (2) A written statement sufficient to prove the matters under item (2) to item (5) and item (7) of the preceding paragraph; and
 - (3) A written statements sufficient to prove the basis for calculation under item (8) of the preceding paragraph.
 3. The Minister of Land, Infrastructure, Transport and Tourism may, if he/she deems it necessary, request the person who made a claim for indemnity for damage under paragraph 1, Article 72 of the Act to submit a medical certificate of a doctor designated by the Minister of Land, Infrastructure, Transport and Tourism. In this case, any necessary expenses shall be borne by the Government.

(Claim for reparation to the Government)

Article 28. The claim for reparation to the Government under the provisions of paragraph 4, Article 16 or paragraph 4, Article 17 of the Act (including the case where these provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3 of the Act) shall be made in writing describing the following matters:

- (1) Name and address of the claimant;
 - (2) Names and addresses of the wrongdoer and the victim, and date, time and place of which the injurious act took place;
 - (3) Reasons for being able to make a claim for reparation to the Government pursuant to the provisions of paragraph 4, Article 16 or paragraph 4, Article 17 of the Act (including the case where these provisions shall be applied mutatis mutandis in paragraph 1, Article 23-3 of the Act);
 - (4) The vehicle registration number or the vehicle number, the indication plate number or the registration number pursuant to the provisions of the Convention on Road Traffic (the chassis number, in the case where there is no such number) of the automobile concerned;
 - (5) Names and addresses of the policyholder or the policyholder of mutual aid; and
 - (6) The amount claimed and the basis for calculation thereof (the particulars related to the claim for medical fee, the contents of the amount of damage and basis therefor shall be specified).
2. The written statement in the preceding paragraph shall be attached by the following

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

documents:

- (1) A written statement sufficient to prove the matters in item (2) and item (3) of the preceding paragraph; and
- (2) A written statement sufficient to prove the basis for calculation in item (6) of the preceding paragraph.

(Payment, etc. of the Automobile Liability Compensation Business Contribution)

Article 29. The payment of Automobile Liability Compensation Business Contribution shall be made monthly in a lump.

2. The insurance company and the cooperative shall, if there arises any cause for payment of the Automobile Liability Compensation Business Contribution, submit a filing to that effect to the Minister of Land, Infrastructure, Transport and Tourism without delay.

(Letter of pressing)

Article 30. The letter of pressing under paragraph 2, Article 80 of the Act shall be in accordance with Form No. 3.

(Voucher showing the status of official who attaches property)

Article 31. The voucher which the official executing disposition pursuant to the provisions of paragraph 4, Article 80 of the Act carries with him/her to show his/her official status in conformity with the instance of disposition for failure to pay the national taxes shall be in accordance with Form No. 4.

(On-the-spot inspections)

Article 31-2. The proof of identity under paragraph 2, Article 23-2 of the Act applied mutatis mutandis in paragraph 2, Article 82-2 of the Act shall be in accordance with Form 5.

(Matters to be observed by the insurance company or the cooperative)

Article 31-3. The matters to be observed by the insurance company or the cooperative for securing proper issue of the insurance stickers or the mutual aid stickers under paragraph 4, Article 84-2 of the Act shall be as follows:

- (1) Not to issue or reissue the insurance sticker or the mutual aid sticker showing different year and month from the year and month to which the expiration date of the insurance period or the mutual aid period of the contract of the liability insurance concerned or the contract of the liability mutual aid concerned; and
- (2) In the case where the commencement date of the insurance period or the mutual aid period of the contract of the liability insurance concerned or the contract of the liability mutual aid concerned is fixed to be on and after the day following the date of conclusion of such contract, to issue the insurance sticker or the mutual aid sticker shall be issued within one month prior to the commencement date of the period of such contract.

(Voucher showing the status of official who requests to present the certificate of automobile liability insurance, etc.)

Article 32. The certificate showing the status under paragraph 2, Article 85 of the Act shall be

ORDINANCE FOR ENFORCEMENT OF THE AUTOMOBILE LIABILITY SECURITY ACT

in accordance with Form No. 6.

Supplementary Provisions [Extract]

(Effective date)

1. This Ministerial Ordinance shall take effect as from the date of enforcement.

(Interim measures concerning certificate, etc. of automobile liability insurance)

2. With respect to the certificate of automobile liability insurance that an automobile liability insurance company should issue to a policyholder in respect of liability insurance contracts that become effective during the period of time from April 1, 2002 to March 31, 2008, the insurance company shall indicate in the margin of the certificate of automobile liability insurance using Form 1 as the word “premium” is changed to “amount deducted the subsidies appropriated for premiums etc. from premium” with respect to liability insurance policies that become effective during the period of time from April 1, 2002 to March 1, 2008.”
3. The provisions of the preceding paragraph shall be applied mutatis mutandis to liability mutual aid. In this case, in the preceding paragraph, the words “liability insurance” shall be read as “liability mutual aid,” “insurance company” as “cooperative,” “policyholder” as “policyholder of mutual aid,” and “premium” as “contribution.”

Supplementary Provisions (Ordinance of Ministry of Land, Infrastructure, Transport and Tourism No. 63, December 28, 2010) [Extract]

(Effective date)

Article 1. Out of the provisions in this Ministerial Ordinance, those revising paragraph 3, Article 1-5 shall take effect as from the date of enforcement; those revising Form No.1-2 shall take effect as from April 1, 2011, respectively.

(Interim measure)

Article 2. Notwithstanding the Form after revision pursuant to this Ministerial Ordinance, the insurance sticker which is in use at the time of the enforcement of this Ministerial Ordinance and is pursuant to the Form 1-2 of the Ordinance for Enforcement of The Automobile Liability Security Act before revision pursuant to this Ministerial Ordinance may still be used for the time being.

Form No. 1 (Article 1 related) (Omitted)

Form No. 1-2 (Article 1-3 related) (Omitted)

Form No. 2 (Article 6 related) (Omitted)

Form No. 3 (Article 30 related) (Omitted)

Form No. 4 (Article 31 related) (Omitted)

Form No. 5 (Article 31-2 related) (Omitted)

Form No. 6 (Article 32) (Omitted)

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC. UNDER AUTOMOBILE LIABILITY INSURANCE, AND PAYMENT OF MUTUAL AID CLAIM, ETC. UNDER AUTOMOBILE LIABILITY MUTUAL AID

(Notification of the Financial Services Agency and the Ministry of Land, Infrastructure, Transport and Tourism No. 1, December, 21, 2001)

History of Amendment

No.1, March 8, 2010

Article 1. General Provisions

1. Insurance claim payment, etc. under automobile liability insurance shall be made in accordance with these standards, up to the limits as provided for in Article 2 and Appendix 1 and 2 of the Order for Enforcement of the Automobile Liability Security Act (Cabinet Order No. 286 of 1955).
2. The limit of insurance claim for each person who has died or suffered bodily injury shall be as provided for in Article 2 and Appendix 1 and 2 of the Order for Enforcement of the Automobile Liability Security Act. However, in the case of insurance claim payment, etc. for an accident involving more than one automobile, the limit of insurance claim shall be the sum of the limit of insurance claim of the respective insurance policies.

Article 2. Damages for Bodily Injury

Damages for bodily injury shall include direct damage (expenses related to medical treatment, documentation fees, and other expenses), loss of earnings due to absence from work, and damages for pain and suffering.

1. Direct damage

(1) Expenses related to medical treatment

i) First aid treatment expenses

Necessary and reasonable actual expenses directly incurred for first aid treatment.

ii) Examination fees

Necessary and reasonable actual expenses incurred for initial examination, follow-up examination and home visits.

iii) Hospital fees

Necessary and reasonable actual expenses incurred for hospitalization in an ordinary room within the same locality. However, in the case where a doctor, having regard to the degree of bodily injury suffered by the victim, etc., judges it necessary, hospital fees shall be the necessary and reasonable actual expenses incurred for hospitalization in a room other than that set forth above.

iv) Medication fees, surgery fees, treatment fees, etc.

Necessary and reasonable actual expenses incurred for medical treatment.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

- v) Transportation expenses for outpatient's hospital visits, hospital transfers, hospitalization or discharge from hospital
Necessary and reasonable actual expenses incurred as transportation expenses for outpatient's hospital visits, hospital transfers, hospitalization or discharge from hospital.
- vi) Nursing care fees
 - a. Nursing care fees while in hospital
4,100 yen per day in the case where the next of kin, etc. accompanies a child under 12 years of age.
 - b. Home nursing care fees or outpatient nursing care fees
In the case where a doctor judges that nursing care is necessary, home nursing care fees or outpatient nursing care fees shall be as set forth below. However, a doctor's certificate shall not be required in the case where the next of kin, etc. accompanies a child under 12 years of age on outpatient visits to hospital, etc.
 - (a) Persons introduced by private employment agencies licensed by the Minister of Health, Labour and Welfare
Necessary and reasonable actual expenses supported by documentary evidence, etc.
 - (b) Next of kin, etc.
2,050 yen per day.
 - c. In the case where the next of kin, etc. suffers loss of earnings due to absence from work, said loss of earnings being supported by documentary evidence etc., and the loss exceeds the amounts in 1 (vi) a. or 1 (vi) b. (b) above, nursing care fees shall be the necessary and reasonable actual expenses incurred.
- vii) Miscellaneous expenses
Miscellaneous expenses shall include the expense of purchasing, or fees for using, items directly required for recuperation, the expense of purchasing nutritional substances consumed under instruction by a doctor, and communication expenses, etc., and shall be as provided for below.
 - a. Miscellaneous expenses while in hospital
1,100 yen per day of hospitalization. In the case where these expenses, supported by documentary evidence etc., exceed 1,100 yen per day, miscellaneous expenses shall be the necessary and reasonable actual expenses incurred.
 - b. Miscellaneous expenses during outpatient treatment and home recuperation
Necessary and reasonable actual expenses incurred.
- viii) Fee for judo therapy, etc.
Necessary and reasonable actual expenses incurred for the services of a licensed judo therapist, osteopath, masseur, acupressurist, acupuncturist, or practitioner of moxibustion.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

- ix) Expenses for artificial limbs, etc.
 - a. Necessary and reasonable actual expenses incurred for prostheses etc., including artificial limbs, dental prostheses, ocular prostheses, spectacles (including contact lenses), hearing aids, crutches, etc., judged necessary by a doctor to complement physical functions as a result of the bodily injuries suffered.
 - b. Necessary and reasonable actual expenses incurred in the case where a person who had been using prosthesis as set forth above needs to repair or replace said prosthesis because of the bodily injury.
 - c. The maximum amount for the expense for spectacles (including contact lenses) as set forth in a. and b. above shall be 50,000 yen.
- x) Expenses for medical certificates, etc.

Necessary and reasonable actual expenses incurred for the issuance of medical certificates, statements of medical fees, etc.
- (2) Documentation fees

Necessary and reasonable actual expenses incurred for the issuance of traffic accident report, certificates of victim's seal-impression, resident's cards, etc.
- (3) Other expenses

Necessary and reasonable actual expenses (other than (1) Expenses related to medical treatment and (2) Documentation fees as set forth above) including expenses needed to transport the victim from the accident scene to a medical institution.
- 2. Loss of earnings due to absence from work
 - (1) In principle, loss of earnings due to absence from work shall be 5,700 yen per day in the case where earnings have decreased due to the absence from work or in the case where a paid holiday has been used. In the case of a homemaker, earnings shall be assumed to have decreased.
 - (2) The number of days of loss of earnings due to absence from work shall be based on the actual days of absence from work, and shall not exceed the period of treatment, having regards to the degree of bodily injury suffered by the victim, the actual days of treatment, etc.
 - (3) In the case where the amount of loss of earnings, as supported by documentary evidence, etc., exceeds 5,700 yen per day, it shall be the actual amount incurred, up to the limit as provided for in Article 3-2 of the Order for Enforcement of the Automobile Liability Security Act.
- 3. Damages for pain and suffering
 - (1) Damages for pain and suffering shall be 4,200 yen per day.
 - (2) The number of days for which said damages shall be paid shall not exceed the period of treatment, taking into account the degree of bodily injury suffered by the victim, the actual days of treatment, etc.
 - (3) In the case where a pregnant woman suffers stillbirth or miscarriage, damages shall be payable in addition to those amounts set forth above.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Article 3. Damages for Permanent Disability

Damages for permanent disability shall include loss of future earnings and damages for pain and suffering, etc., and shall be payable in cases coming under a grade as provided for in Article 2 and Appendix 1 and 2 of the Order for Enforcement of the Automobile Liability Security Act.

In principle, the grade shall be determined in accordance with the standards for determining the grade of disability under the workmen's accident compensation insurance.

1. Loss of future earnings

Loss of future earnings shall be calculated by multiplying the amount of annual earnings or annual equivalent amount, as set forth in the following subparagraphs, by the working ability loss ratio for the grade comes to fall (Appendix I) and the Leibnitz coefficient for the number of years for which earnings can be expected from the age at which the permanent disability was confirmed (Appendix II-1). However, this shall not apply in cases where the probability is that the annual equivalent of the all-age average wage (Appendix III) could not be obtained throughout the victim's life.

(1) Persons in employment

The amount of earnings in the one year prior to the accident, or the annual equivalent amount of the average wage by age (Appendix IV) corresponding to the age at which the permanent disability was confirmed, whichever is higher, shall be deemed as the amount of earnings. However, in the case of following persons, the amounts as set forth below shall be deemed as the amount of earnings of the respective person concerned.

i) Persons under 35 years of age whose earnings in the one year prior to the accident can be proved

Whichever is the higher of the amount of earnings in the one year prior to the accident; the annual equivalent amount of the all-age average wage or the annual equivalent amount of the average wage by age.

ii) Persons whose earnings in the one year prior to the accident is difficult to prove

a. Persons under 35 years of age

Whichever is the higher of the annual equivalent amount of the all-age average wage or the annual equivalent amount of the average wage by age.

b. Persons of 35 years of age or older

The annual equivalent amount of the average wage by age.

iii) Persons who have been unemployed for less than one year (excluding those who retired at the mandatory retirement age, etc.)

The standards as set forth above shall apply. In such cases the "amount of earnings in the one year prior to the accident" shall be read as the "amount of earnings in the one year prior to retirement".

(2) Infants, children, pupils, students, homemakers

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

The annual equivalent amount of the all-age average wage shall be deemed as the amount of earnings. However, in the case where the average wage by age of a person of 58 years of age or older is less than the all-age average wage, the annual equivalent amount of the average wage by age shall be deemed as the amount of earnings.

(3) Other persons who have the will and ability to work

The annual equivalent amount of the average wage by age shall be deemed as the amount of earnings. However, the annual equivalent amount of the all-age average wage shall be the maximum limit.

2. Damages for pain and suffering, etc.

(1) The amount of damages for pain and suffering, etc., for permanent disability shall be the amount as set forth in the tables below in accordance with the grade of disability.

i) Cases in Appendix 1 of the Order for Enforcement of the Automobile Liability Security Act

1st Grade	2nd Grade
16,000,000 yen	11,630,000 yen

ii) Cases in Appendix 2 of the Order for Enforcement of the Automobile Liability Security Act

1st Grade	2nd Grade	3rd Grade	4th Grade
11,000,000 yen	9,580,000 yen	8,290,000 yen	7,120,000 yen
5th Grade	6th Grade	7th Grade	8th Grade
5,990,000 yen	4,980,000 yen	4,090,000 yen	3,240,000 yen
9th Grade	10th Grade	11th Grade	12th Grade
2,450,000 yen	1,870,000 yen	1,350,000 yen	930,000 yen
13th Grade	14th Grade		
570,000 yen	320,000 yen		

(2) i) If a person coming under Appendix 1 of the Order for Enforcement of the Automobile Liability Security Act has a dependent or dependents, the amount for the 1st Grade shall be 18,000,000 yen and the amount for the 2nd Grade shall be 13,330,000 yen.

ii) If a person coming under the 1st, 2nd or 3rd Grade in Appendix 2 of the Order for Enforcement of the Automobile Liability Security Act has a dependent or dependents, the amount for the 1st Grade shall be 13,000,000 yen, the amount for the 2nd Grade shall be 11,280,000 yen, and the amount for the 3rd Grade shall be 9,730,000 yen.

(3) In the case of a person coming under Appendix 1 of the Order for Enforcement of the Automobile Liability Security Act, the amount of 5,000,000 yen for the 1st Grade and 2,050,000 yen for the 2nd Grade shall be added as initial costs, etc.

Article 4. Damages for Death

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Damages for death shall include funeral expenses, loss of future earnings, damages for pain and suffering on the part of the victim, and damages for pain and suffering on the part of the victim's family.

In the case where the victim dies after receiving insurance claim payment, etc. for damages due to permanent disability, damages for death is deemed to be the difference between the two damages, provided that a proximate cause relationship is recognized between the accident and death.

1. Funeral expenses

- (1) Funeral expenses shall be 600,000 yen.
- (2) In the case where funeral expenses exceed 600,000 yen, as supported by documentary evidence, etc., they shall be the necessary and reasonable actual expenses incurred up to a limit of 1,000,000 yen.

2. Loss of future earnings

- (1) Loss of future earnings shall be calculated by multiplying the amount of annual earnings or annual equivalent amount, as set forth in the following subparagraphs, minus the victim's living expenses, by the Leibnitz coefficient for the number of years for which earnings can be expected for the age of death (Appendix II-1). However, this shall not apply in the case where the probability is that an annual equivalent amount of the all-age average wage (Appendix III) could not be obtained throughout the victim's life.

i) Persons in employment

The amount of earnings in the one year prior to the accident, or the annual equivalent amount of the average wage by age (Appendix IV) corresponding to the age of death, whichever is higher, shall be deemed as the amount of earnings.

However, in the case of the following persons, the amounts as set forth below shall be deemed as the earnings of the respective person concerned.

- a. Persons under 35 years of age whose earnings in the one year prior to the accident can be proved.

Whichever is the higher of the amount of earnings in the one year just before the accident; the annual equivalent amount of the all-age average wage or the annual equivalent amount of the average wage by age.

- b. Persons whose earnings in the one year prior to the accident is difficult to prove.

(a) Persons under 35 years of age

Whichever is the higher of the annual equivalent amount of the all-age average wage or the annual equivalent amount of the average wage by age.

(b) Persons of 35 years of age or older

The annual equivalent amount of the average wage by age.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

- (c) Persons who have been unemployed for less than one year (excluding those who retired at the mandatory retirement age, etc.)

The standards as set forth above shall apply. In such cases the “amount of earning in the one year prior to the accident” shall be read as the “amount of earning in the one year prior to retirement”.

- ii) Infants, children, pupils, students, homemakers

The annual equivalent amount of the all-age average wage shall be deemed as the amount of earnings. However, in the case where the average wage by age of a person of 58 years of age or older is less than the all-age average wage, the annual equivalent amount of the average wage by age shall be deemed as the amount of earnings.

- iii) Other persons who have the will and ability to work

The annual equivalent amount of the average wage by age shall be deemed as the amount of earnings. However, the annual equivalent amount of the all-age average wage shall be the maximum limit.

- (2) Notwithstanding the provisions of subparagraph (1) above, loss of future earnings by recipients of pensions, etc. shall be calculated by multiplying the amount of annual earning or annual equivalent amount, as set forth in the following clauses, minus the victim’s living expenses, by the Leibnitz coefficient for the number of years for which earnings can be expected at the age of death (Appendix II-1), added to the amount calculated by multiplying the pensions, etc., minus the victim’s living expenses, by the Leibnitz coefficient for average remaining life expectancy at the age of death (Appendix II-2) minus the Leibnitz coefficient for the number of years for which earnings can be expected at the age of death. However, in the case where the probability is that the annual equivalent amount of the all-age average wage (Appendix III) could not be obtained throughout the victim’s life, this shall not apply.

Of the various pension systems, “recipients of pensions, etc.” shall, in principle, be persons who actually receive pensions, etc. based on contributions made by the pension rights holder. Recipients of welfare pension or survivor’s pension, for which no contribution is required, are excluded.

- i) Persons in employment

The amount of earnings in the one year prior to the accident plus the amount of pensions, etc., or the annual equivalent amount of the average wage by age (Appendix IV) corresponding to the age of death, whichever is higher, shall be deemed as the amount of earnings. However, in the case of persons under 35 years of age, the annual equivalent amount of the all-age average wage shall also be compared in addition to the foregoing comparison, and the highest amount shall be deemed as the loss of future earnings.

- ii) Infants, children, pupils, students, homemakers

The amount of the pensions, etc., or the annual equivalent amount of the all-age average wage, whichever is higher, shall be deemed as the amount of earnings.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

However, in the case where the average wage by age of a person of 58 years of age or older is less than the all-age average wage, the amount of the pensions, etc., or the annual equivalent amount of the average wage by age, whichever higher, shall be deemed as the amount of earnings.

iii) Other persons who have the will and ability to work

The amount of the pensions, etc., or the annual equivalent amount of the average wage by age, whichever is higher, shall be deemed as the amount of earnings. However, in the case where the average wage by age is higher than the all-age average wage, the annual equivalent amount of the all-age average wage, or the amount of the pensions, etc., whichever is higher, shall be deemed as the amount of earnings.

- (3) In the case where living expenses are difficult to prove, nominal living expenses of 35% shall be subtracted from the amount of annual earnings or annual equivalent amount if there is a dependent or dependents, and 50% from the amount of annual earnings or annual equivalent amount if there is no dependent.

3. Damages for pain and suffering on the part of the victim

Damages for pain and suffering on the part of the victim shall be 3,500,000 yen.

4. Damages for pain and suffering on the part of the victim's family

Persons entitled to claim damages for pain and suffering shall be the victim's parent or parents (including adoptive parent or parents), a spouse, and a child or children (including adopted child or children, legally acknowledged child or children, and unborn child or children). The amount of damages shall be 5,500,000 yen in the case where there is one entitled claimant, 6,500,000 yen in the case where there are two entitled claimants, and 7,500,000 yen in the case where there are three or more entitled claimants.

If the victim has a dependent or dependents, 2,000,000 yen shall be added to the amount set forth above.

Article 5. Damages for Bodily Injury Suffered Prior to Death

Damages for bodily injury suffered prior to death shall include direct damage (expenses related to medical treatment (including expenses incurred for coroner's certificate fees, post-mortem treatment fees, etc.), documentation fees, and other expenses), loss of earnings due to absence from work, and damages for pain and suffering in accordance with Article 2: Damages for Bodily Injury. However, if death occurs on the day of the accident or the following day damages shall consist of direct damages only.

Article 6. Reduction of the amount of a claim

1. Reduction due to gross negligence

In the case of gross negligence on the part of the victim, the total amount of calculated damages shall be reduced in the case where the calculated damage is less than the limit of insurance claim, or the limit of insurance claim shall be reduced in the case where the calculated damage is larger than the limit of insurance claim, as shown in the table below. However, in the case where the amount of damages for bodily injury (excluding that

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

suffered prior to permanent disability or death) is less than 200,000 yen, this shall be the amount of the claim, and in the case where the amount is 200,000 yen or less as a result of the reduction, the amount of the claim shall be 200,000 yen.

Degree of victim's negligence for reduction	Rate of reduction	
	Cases related to permanent disability or death	Cases related to bodily injury
Less than 70%	No reduction	No reduction
70% or more, but less than 80%	20% reduction	20% reduction
80% or more, but less than 90%	30% reduction	
90% or more, but less than 100%	50% reduction	

2. Reduction in the case where judgement on the existence of a proximate cause relationship between the injury and death or permanent disability is difficult

In cases where it is difficult to determine the existence of a proximate cause relationship between the injury and death or the injury and permanent disability, such as in the case where the cause of death or permanent disability is unclear because the victim has a past medical history, etc., the calculated amount of damages for death or permanent disability shall be reduced by 50% in the case where the calculated damages is less than the limit of insurance claim, or the limit of insurance shall be reduced by 50% in the case where the calculated damages is larger than the limit of insurance claim.

Supplementary Provision

This Notification shall take effect as from 1 April, 2002, and shall apply to insurance claim payments, etc. under automobile liability insurance, and mutual aid claim payment, etc. under automobile liability mutual aid, in respect of accidents resulting from the operation of an automobile that occur from that date onwards.

Appendix I

Table of Working Ability Loss Ratios

Cases in Appendix 1 of the Order for Enforcement of Automobile Liability Security Act

Disability grade	Working ability loss ratio
1st grade	100/100
2nd grade	100/100

Cases in Appendix 2 of the Order for Enforcement of Automobile Liability Security Act

Disability grade	Working ability loss ratio
1st grade	100/100
2nd grade	100/100
3rd grade	100/100
4th grade	92/100

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Disability grade	Working ability loss ratio
5th grade	79／100
6th grade	67／100
7th grade	56／100
8th grade	45／100
9th grade	35／100
10th grade	27／100
11th grade	20／100
12th grade	14／100
13th grade	9／100
14th grade	5／100

Appendix II-1

The number of years for which earnings can be expected and Leibnitz Coefficients

(1) Table applicable to persons under 18 years of age.

Age	Infants, children, pupils, students, persons other than those on the right who have the will and ability to work		Persons in employment	
	The number of years for which earnings can be expected	Coefficient	The number of years for which earnings can be expected	Coefficient
0	49	7.549	67	19.239
1	49	7.927	66	19.201
2	49	8.323	65	19.161
3	49	8.739	64	19.119
4	49	9.176	63	19.075
5	49	9.635	62	19.029
6	49	10.117	61	18.980
7	49	10.623	60	18.929
8	49	11.154	59	18.876
9	49	11.712	58	18.820
10	49	12.297	57	18.761
11	49	12.912	56	18.699
12	49	13.558	55	18.633
13	49	14.236	54	18.565
14	49	14.947	53	18.493
15	49	15.695	52	18.418
16	49	16.480	51	18.339
17	49	17.304	50	18.256

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

(2) Table applicable to persons of 18 years of age or older

Age	The number of years for which earnings can be expected	Coefficient	Age	The number of years for which earnings can be expected	Coefficient
18	49	18.169	54	14	9.899
19	48	18.077	55	14	9.899
20	47	17.981	56	13	9.394
21	46	17.880	57	13	9.394
22	45	17.774	58	12	8.863
23	44	17.663	59	12	8.863
24	43	17.546	60	12	8.863
25	42	17.423	61	11	8.306
26	41	17.294	62	11	8.306
27	40	17.159	63	10	7.722
28	39	17.017	64	10	7.722
29	38	16.868	65	10	7.722
30	37	16.711	66	9	7.108
31	36	16.547	67	9	7.108
32	35	16.374	68	8	6.463
33	34	16.193	69	8	6.463
34	33	16.003	70	8	6.463
35	32	15.803	71	7	5.786
36	31	15.593	72	7	5.786
37	30	15.372	73	7	5.786
38	29	15.141	74	6	5.076
39	28	14.898	75	6	5.076
40	27	14.643	76	6	5.076
41	26	14.375	77	5	4.329
42	25	14.094	78	5	4.329
43	24	13.799	79	5	4.329
44	23	13.489	80	5	4.329
45	22	13.163	81	4	3.546
46	21	12.821	82	4	3.546
47	20	12.462	83	4	3.546
48	19	12.085	84	4	3.546
49	18	11.690	85	3	2.723
50	17	11.274	86	3	2.723
51	16	10.838	87	3	2.723
52	15	10.380	88	3	2.723
53	14	9.899	89	3	2.723

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Age	The number of years for which earnings can be expected	Coefficient	Age	The number of years for which earnings can be expected	Coefficient
90	3	2.723	96	2	1.859
91	2	1.859	97	2	1.859
92	2	1.859	98	2	1.859
93	2	1.859	99	2	1.859
94	2	1.859	100	2	1.859
95	2	1.859	101~	1	0.952

(Notes)

- The numbers of years for which earnings can be expected for persons in employment under 18 years of age and persons of 18 years of age or older are:
 - 67 years minus the age of the victim for those under 55 years of age
 - 1/2 of the average remaining life expectancy, with fractions rounded up, for those of 55 years of age or older
- The numbers of years for which earnings can be expected and Leibnitz coefficients in the case of infants, children, pupils, students under 18 years of age, and persons who have the will and ability to work (except persons in employment, homemakers, and students 18 years of age or older) are calculated in accordance with the following example.
 (Example) In the case of a person who is 3 years of age
 - Coefficient corresponding to the 64 years (67 years – 3 years) until end of employment (67 years of age): 19.119
 - Coefficient corresponding to the 15 years (18 years – 3 years) until start of employment (18 years of age): 10.380
 - The number of years for which earnings can be expected: 49 years (64 years – 15 years)
 - Applicable coefficient: 8.739 (19.119 – 10.380)

Appendix II-2

Average Remaining Life Expectancy and Leibnitz Coefficients

Age	Male		Female	
	Average remaining life expectancy years	Coefficient	Average remaining life expectancy years	Coefficient
0	78	19.555	85	19.684
1	77	19.533	84	19.668
2	76	19.509	83	19.651

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Age	Male		Female	
	Average remaining life expectancy years	Coefficient	Average remaining life expectancy years	Coefficient
3	75	19.485	82	19.634
4	74	19.459	81	19.616
5	73	19.432	80	19.596
6	72	19.404	79	19.576
7	71	19.374	78	19.555
8	70	19.343	77	19.533
9	69	19.310	76	19.509
10	68	19.275	75	19.485
11	67	19.239	74	19.459
12	66	19.201	73	19.432
13	65	19.161	72	19.404
14	64	19.119	71	19.374
15	63	19.075	70	19.343
16	62	19.029	69	19.310
17	62	19.029	68	19.275
18	61	18.980	67	19.239
19	60	18.929	66	19.201
20	59	18.876	65	19.161
21	58	18.820	64	19.119
22	57	18.761	63	19.075
23	56	18.699	62	19.029
24	55	18.633	62	19.029
25	54	18.565	61	18.980
26	53	18.493	60	18.929
27	52	18.418	59	18.876
28	51	18.339	58	18.820
29	50	18.256	57	18.761
30	49	18.169	56	18.699
31	48	18.077	55	18.633
32	47	17.981	54	18.565
33	46	17.880	53	18.493
34	45	17.774	52	18.418
35	44	17.663	51	18.339
36	43	17.546	50	18.256
37	42	17.423	49	18.169
38	41	17.294	48	18.077

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Age	Male		Female	
	Average remaining life expectancy years	Coefficient	Average remaining life expectancy years	Coefficient
39	40	17.159	47	17.981
40	39	17.017	46	17.880
41	38	16.868	45	17.774
42	37	16.711	44	17.663
43	37	16.711	43	17.546
44	36	16.547	42	17.423
45	35	16.374	41	17.294
46	34	16.193	40	17.159
47	33	16.003	39	17.017
48	32	15.803	38	16.868
49	31	15.593	37	16.711
50	30	15.372	36	16.547
51	29	15.141	35	16.374
52	28	14.898	34	16.193
53	27	14.643	34	16.193
54	27	14.643	33	16.003
55	26	14.375	32	15.803
56	25	14.094	31	15.593
57	24	13.799	30	15.372
58	23	13.489	29	15.141
59	22	13.163	28	14.898
60	22	13.163	27	14.643
61	21	12.821	26	14.375
62	20	12.462	25	14.094
63	19	12.085	24	13.799
64	18	11.690	24	13.799
65	18	11.690	23	13.489
66	17	11.274	22	13.163
67	16	10.838	21	12.821
68	15	10.380	20	12.462
69	15	10.380	19	12.085
70	14	9.899	18	11.690
71	13	9.394	18	11.690
72	13	9.394	17	11.274
73	12	8.863	16	10.838
74	11	8.306	15	10.380

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Age	Male		Female	
	Average remaining life expectancy years	Coefficient	Average remaining life expectancy years	Coefficient
75	11	8.306	14	9.899
76	10	7.722	14	9.899
77	9	7.108	13	9.394
78	9	7.108	12	8.863
79	8	6.463	11	8.306
80	8	6.463	11	8.306
81	7	5.786	10	7.722
82	7	5.786	9	7.108
83	6	5.076	9	7.108
84	6	5.076	8	6.463
85	5	4.329	7	5.786
86	5	4.329	7	5.786
87	5	4.329	6	5.076
88	4	3.546	6	5.076
89	4	3.546	5	4.329
90	4	3.546	5	4.329
91	3	2.723	5	4.329
92	3	2.723	4	3.546
93	3	2.723	4	3.546
94	3	2.723	4	3.546
95	2	1.859	3	2.723
96	2	1.859	3	2.723
97	2	1.859	3	2.723
98	2	1.859	2	1.859
99	2	1.859	2	1.859
100	2	1.859	2	1.859
101	1	0.952	2	1.859
102	1	0.952	2	1.859
103	1	0.952	2	1.859
104	1	0.952	1	0.952

(Note) The numbers of years of average remaining life expectancy are based on life expectancy figures in the “20th Life Tables Reference Table”.

STANDARDS FOR PAYMENT OF INSURANCE CLAIM, ETC.

Appendix III

All-Age Average Wage (Monthly Amount)

Male	415,400	Female	275,100
------	---------	--------	---------

Appendix IV

Average wage by age (Monthly Amount)

Age	Male yen	Female yen	Age	Male yen	Female yen
18	187,400	169,600	44	482,000	298,800
19	199,800	175,800	45	485,600	296,500
20	219,800	193,800	46	489,300	294,300
21	239,800	211,900	47	492,900	292,000
22	259,800	230,000	48	495,500	291,800
23	272,800	238,700	49	498,100	291,700
24	285,900	247,400	50	500,700	291,600
25	298,900	256,000	51	503,300	291,400
26	312,000	264,700	52	505,800	291,300
27	325,000	273,400	53	500,700	288,500
28	337,300	278,800	54	495,500	285,600
29	349,600	284,100	55	490,300	282,800
30	361,800	289,400	56	485,200	280,000
31	374,100	294,700	57	480,000	277,200
32	386,400	300,100	58	455,400	269,000
33	398,000	301,900	59	430,900	260,900
34	409,600	303,700	60	406,300	252,700
35	421,300	305,500	61	381,700	244,500
36	432,900	307,300	62	357,200	236,400
37	444,500	309,100	63	350,100	236,400
38	450,500	307,900	64	343,000	236,400
39	456,600	306,800	65	336,000	236,500
40	462,600	305,600	66	328,900	236,500
41	468,600	304,500	67	321,800	236,500
42	474,700	303,300	68~	314,800	236,600
43	478,300	301,000			

(Note) Wages in this Table are calculated based on average wages (including extra pays) by cohort for all educational backgrounds in companies with a corporate scale of 10 - 999 employees, compiled from the 2000 Wage Census Volume 1, Table 1: Industry Totals (Private/Public Sector Totals) multiplying them by 0.999 to reflect subsequent wage trends.

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

(December 1, 1955)

History of Amendment

August 1, 1962
August 1, 1966
October 1, 1970
December 27, 1971
April 1, 2002
February 7, 2005
April 1, 2010

(Scope of liability)

Article 1. The company shall pay insurance claim in accordance with the provisions of the policy conditions hereof when the insured is legally liable to compensate for damage resulting from death of or bodily injury to other person arising out of the operation (hereinafter referred to as “accident”) of the automobile (hereinafter referred to as “insured automobile”) described on the certificate of automobile liability insurance (hereinafter referred to as “certificate”) within Japan (including on a Japanese vessel outside of Japanese territorial waters).

(Definitions)

Article 2. The terms “automobile,” “operation,” “owner” or “driver” used in the policy conditions hereof shall mean, respectively, automobile, operation, owner or driver as stipulated in Article 2 of the Automobile Liability Security Act (hereinafter referred to as “Act”).

2. The term “insured” used in the policy conditions hereof shall mean the owner of the insured automobile and driver of such insured automobile.

(Scope of damage and limit of liability)

Article 3. Damage under Article 1 (Scope of liability) shall be the compensation for damage that the insured has paid to the victim and the expenses for first aid treatment, escorting the victim, medical examination, medical treatment or nursing care paid by the insured on the victim’s behalf.

2. The amount of the insurance claim to be paid by the company, (which means the insurance claim payment pursuant to the provision of Article 1; the same shall be applied hereinafter), shall be limited to the limit of insurance claim as provided in Article 2 of the Order for Enforcement of the Act (hereinafter referred to as “limit of insurance claim”). However, in the case of payment of the amount of compensation for damage as provided in paragraph 1, Article 16 of the Act (hereinafter referred to as “the amount of compensation for damage”), the total amount of the insurance claim payment and the amount of compensation for damage shall be limited to the limit of insurance claim.

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

(Commencement date and termination date of insurance obligation)

Article 4. The company's insurance obligation shall commence at the time the insurance contract is formed and terminate at twelve o'clock noon on the final day of the insurance period. However, in the case where the commencement date of the insurance period has been provided beforehand in complying with the wishes of the policyholder, the company's insurance obligation shall commence at such time and terminate at twelve o'clock noon on the final day of the insurance period.

(Duty of disclosure)

Article 5. At the time of concluding the insurance contract, a person who is the policyholder or the insured must accurately disclose to the company any matters pursuant to Article 20 of the Act for which the company has requested disclosure (hereafter in this Article "matters for disclosure").

2. The company may cancel the insurance contract by a written notice to the policyholder if the policyholder or the insured has failed to disclose facts or has misrepresented matters with respect to the matters for disclosure intentionally or through gross negligence at the time of concluding the insurance contract. However, in the case where the company knew this fact or did not know this fact due to its own negligence, this provision shall not be applied.
3. The provisions of the main clause of the preceding paragraph shall not apply after the policyholder or the insured has notified a correction with written statement and the company has accepted the same, or if one month has passed from the time when the company knew that there were grounds for cancellation, or if five years have passed from the time of concluding the insurance contract.
4. The cancellation under paragraph 2 shall take effect for the future after a lapse of seven days counting from the day the policyholder received the cancellation notice.
5. In the case where the company has paid an insurance claim or the amount of compensation for damage due to an accident that occurred before the day on which the cancellation became effective pursuant to the provisions of the preceding paragraph, the company may request a payment for that paid amount against the policyholder.
6. If the content disclosed pursuant to paragraph 1 differs from fact, and when the insurance premium needs to be corrected, the company shall return the difference in insurance premiums, or demand payment of the same.

(Duty of notification)

Article 6. In the case where any of the following items shall be applied after concluding the insurance contract, the policyholder or the insured shall notify the company in writing to that effect without delay.

- (1) In the case of having made changes with respect to the matters as stipulated in Article 20 of the Act.
- (2) In the case where the insured automobile has become an automobile as stipulated in Article 10 of the Act.
- (3) In the case of having made changes with respect to matters described in the

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

certificates.

2. In the case of having being notified of the changes in item (1) of the preceding paragraph or in the case of the company knowing the facts without being notified, if the risk has increased or decreased the insurance company will refund or request the difference between the premium for the unexpired insurance period calculated per diem by counting from the day the risk increased or decreased and the premium calculated by computation on a per diem basis based on the identical number of days for a premium that assumes the same insurance period as the contract (in the case of changes to the premium after the commencement of the insurance period, the premium before the change) for liability insurance corresponding to the new risk (referring to the liability insurance pursuant to the provision of Article 5 of the Act; the same shall be applied hereinafter). However, if the amount that should be refunded or requested contains a fractional amount less than ten yen, or if the total amount calculated is less than one hundred yen, that fractional amount or the total amount shall be rounded down to zero.
3. In the case where an accident has occurred after the risk increased during the insurance period and the company has paid an insurance claim or the amount of compensation for damage, if the policyholder or the insured having neglected to inform the company of the changes under the provision of item (1) of paragraph 1, the company may request to the policyholder the payment of that amount the company paid. However, this shall not be applied in the case where the policyholder has paid the premium as stipulated in the preceding paragraph before occurrence of the accident based upon the company's request.

(Occurrence of an accident)

Article 7. The policyholder or the insured shall take the following steps, when he/she learns that there was an accident.

- (1) Inform the company with written statement without delay of the following matters.
 - (a) The time and date, location and circumstances of the accident that have come to light, and the address, name, age and occupation of the victim;
 - (b) In the case of persons who may be witnesses with respect to the matters as set forth in subitem (a) hereof, the addresses and names of those persons; and
 - (c) In the case of having received a claim for the amount of compensation for damage, the details of such claim.
 - (2) In the case where the company asks to submit documents or items to be evidence that the company deems to be especially necessary in addition to the documents under proceeding item (1), submit these items without delay.
 - (3) In the case of being able to claim for the amount of compensation for damage to other person, follow the procedures necessary to preserve or exercise that right and attempt to prevent other damage from occurring or expanding.
 - (4) In the case of initiating a lawsuit or a lawsuit being initiated with respect to claim for the amount of compensation for damage, notify the company with written statement without delay.
2. With regard to the expenses that are necessary or useful for item (3) in the preceding

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

paragraph, the company shall pay insurance claim, which shall be limited to the limit of insurance claim, by totaling such expenses with the amount of damage pursuant to the provision of paragraph 1 of Article 3 (Scope of damage and limit of liability). However, in the event of a payment of the amount of compensation for damage, the total amount of the insurance claim payment and the amount of compensation for damage shall be limited to the limit of insurance claim.

(Expenses for lawsuits, etc.)

Article 8. In the case where a dispute arises between the insured and the victim with respect to the damage under Article 1 (Scope of liability), the company shall not be responsible for any expenses paid by the insured concerning lawsuit, compromise or mediation, etc.

(Withdrawal)

Article 9. If the company has concluded an insurance contract due to fraudulence or coercion on the part of the policyholder or the insured, the company may withdraw the insurance contract by notifying the policyholder to that effect in writing.

(Cancellation)

Article 10. Only in the case where the insured automobile comes under any of the following items, the policyholder may cancel the insurance contract by submitting notification in writing to the company:

- (1) In the case of the permanent deletion registration, the tentative deletion registration for export or the temporary deletion registration, pursuant to the provision of Article 15, Article 15-2 or Article 16 of the Road Transport Vehicle Act respectively, with respect to the registered automobile;
- (2) In the case of having abandoned use and presented the vehicle number plate to the Director-General of the Transport Supervision Department, the Chief of a Transport Branch Office or to the Light Vehicles Inspection Organization with respect to light automobile or two-wheeled small-sized motor vehicle;
- (3) In the case of having abandoned use and presented the indication plate to the head of the special ward or mayor of the city, town or village with respect to small-size special purpose automobile or motorcycle;
- (4) In the case of having returned the temporary operation permission number plate to the competent administrative agency with respect to the automobile which received permission for temporary operation;
- (5) In the case of having returned a forward operation permission number plate to the Director-General of the Transport Supervision Department or the Chief of a Transport Branch Office with respect to an automobile which received a permission for forward operation;
- (6) In the case of having returned the temporary driving number plate to the Director-General of the Transport Supervision Department or the Chief of a Transport Branch Office with respect to light automobile for which the temporary driving number plate was lent; or
- (7) In the event of having received an export permission under Article 67 of the Customs

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

Act.

2. In the case of any of the following items are applicable, the company may cancel the insurance contract by written notification to the policyholder, and the policyholder may cancel the insurance contract by written notification to the company, respectively.
 - (1) In the case of any facts occurring as stipulated in the provision of item 2 of paragraph 1 of Article 6 (Duty of notification); or
 - (2) In the case of another liability insurance contract or another liability mutual aid (means liability mutual aid as stipulated in the provision of Article 5 of the Act; the same shall be applied hereinafter), contract being concluded with respect to the insured automobile, and the termination date of the insurance period or mutual aid period of that contract is the same as or later than the termination date of the insurance period of the contract hereunder.
3. The cancellation under the preceding paragraphs shall take effect only for future dates.
4. In the case of cancellation under paragraph 1 and paragraph 2 hereof or cancellation under paragraph 2 of Article 5 (Duty of disclosure) or under paragraph 6 of the same Article, the policyholder shall return to the company the certificate and the insurance sticker when the insured automobile is an automobile being issued an insurance sticker, or the certificate when the insured automobile is other automobile.

(Succession of rights and obligations of policyholder)

Article 11. In the case where the insured automobile is assigned, if the assignee or a person designated by the assignee has agreed with the policyholder to succeed the rights and obligations of policyholder and the company has received notification to that effect from the policyholder and the assignee or that designated person, this shall be deemed to be approved by the company as from the time the agreement to succeed the rights and obligations of policyholder was made.

(Alteration of premium)

Article 12. If an alteration of premium relative to the insurance contract takes place after the insurance contract has been concluded but before the insurance period commences, the company shall refund or request the difference between the original premium and altered premium.

(Return of insurance premiums)

- Article 13.** When the company has withdrawn an insurance contract pursuant to Article 9 (Withdrawal), the company shall not return insurance premiums.
2. In the case of lapse of the insurance contract due to the willful intent or gross negligence of the policyholder or the insured, or in the case of cancellation under paragraph 2 of Article 5 (Duty of disclosure) and Article 10 (Cancellation) (excluding in the case where the company cancelled the insurance contract pursuant to the provisions of paragraph 2 of Article 10), the company shall refund to the policyholder the premium based on the cancellation premium table as set forth by the company for the unexpired period.
 3. Excluding in the case of the preceding paragraph, the company shall refund to the policyholder the entire amount of the premium in the case where the insurance contract is

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

nullified, and the premium calculated on a per diem basis for the unexpired period by counting from the following day in the case of lapse.

4. In the case where the insurance contract is cancelled due to reasons for which the company is solely responsible and in the case where the insurance contract is cancelled by the company pursuant to the provision of paragraph 2 of Article 10 (Cancellation), the company shall refund to the policyholder the premium calculated based on the provisions of the preceding paragraph.

(Submission of insurance claims)

Article 14. When the insured makes a claim for payment based on an insurance contract, the insured must submit to the company any of the following documents or evidence as requested by the company.

- (1) Written insurance claim
 - (2) Name seal certification or other documentary evidence to prove that the person making the insurance claim is the person entitled to do so
 - (3) An accident report issued by a public body
 - (4) A report on the circumstances of the accident
 - (5) For insurance claims paid in the case of death, a death certificate, documents certifying the amount of income as the basis for calculating lost earnings, other documents certifying the basis for calculating compensation for damages paid to entitled claimants, and the family register
 - (6) For insurance claims paid in the case of permanent disability, a certificate of permanent disability, documents certifying the amount of income as the basis for calculating lost earnings, and other documents certifying the basis for calculating compensation for damages paid to entitled claimants
 - (7) For insurance claims paid in the case of injury, a medical certificate, an itemized statement of fees for treatment (prescriptions) or a receipt equivalent to this, documents certifying the amount of damages due to lost work and hospital visit costs, and other documents certifying the basis for calculating compensation for damages paid to entitled claimants
 - (8) A written settlement indicating the amount of legal liability borne by the insured towards the entitled claimant, and documents certifying that compensation for damages has been paid
2. The company may, depending on the nature of the accident, the amount of damages, etc., ask the policyholder or the insured to submit documents or evidence not cited in the preceding paragraph or to cooperate in investigations conducted by the company. In this case, documents or evidence requested by the company must be promptly submitted and necessary cooperation given.
 3. The company may request the submission of a medical certificate from a physician designated by the company if the company determines this to be especially necessary. In this case, the company bears the necessary expenses.

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

(Payment of insurance claims)

Article 15. After completing its confirmation of the following matters necessary for the company to pay insurance claims, the company shall pay insurance claims within 30 days counting from the date on which the insured completes the procedure cited in paragraph 1 of the preceding Article (hereafter in this Article “claim completion date”).

- (1) As matters needed to confirm whether there are grounds for paying an insurance claim: The cause of the accident, the circumstances of the accident, whether any damages have occurred, and facts applicable to the insured
 - (2) As matters needed to confirm whether there are grounds for not paying an insurance claim: The existence of facts corresponding to grounds cited in the insurance contract as grounds for not paying insurance claims
 - (3) As matters requiring confirmation in order to calculate the insurance claim: The amount of damages, the relationship between the accident and the damages, the course and content of medical treatment
 - (4) As matters needed to confirm whether the insurance contract is valid: The existence of facts corresponding to grounds for cancellation, invalidity, disqualification or withdrawal stipulated in the insurance contract
 - (5) Besides those cited in the items above, other matters requiring confirmation in order to determine the amount of insurance to be paid by the company, such as the entitlement of the insured to claim damages and other entitlements concerning the damages, whether or not these entitlements have already been acquired, and the content thereof
2. When the special referrals or investigations cited below are essential in order to make the confirmations cited in the preceding paragraph, the company shall, irrespective of the provisions of said paragraph, pay the insurance claim within the number of days cited in each of the following items counting from the claim completion date (or, when two or more of these are applicable, the longest of the respective periods). In this case, the company shall notify the insured of matters requiring confirmation and the time when said confirmation should be complete.
- (1) Referrals on the result of investigation by the police, public prosecutor, fire service or other public body in order to confirm matters cited in items (1) to (4) of the preceding paragraph (including inquiries based on the Attorney Act and other inquiries based on Acts and ordinances): 180 days
 - (2) Referrals on the result of diagnosis, expert appraisal, etc., by medical institutions, testing bodies and other specialist bodies in order to confirm matters cited in items (1) to (4) of the preceding paragraph: 90 days
 - (3) Of the matters cited in item (3) of the preceding paragraph, referrals on the result of diagnosis by medical institutions, screening, etc., by specialist bodies related to the certification of permanent disability in order to confirm the content and degree of permanent disability: 120 days
 - (4) Investigations in order to confirm matters in each item of the preceding paragraph in areas damaged by a disaster covered by the Disaster Relief Act: 60 days
 - (5) Investigations outside Japan in cases where there are no alternative means of

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

confirming matters in each item of the preceding paragraph within Japan: 180 days

3. When confirming the necessary matters cited in the preceding two paragraphs, if the policyholder or the insured obstructs said confirmation or fails to respond to the same without justifiable grounds (including cases where the necessary cooperation is not given), the resultant delay in confirmation shall not be included in the period cited in paragraph 1 or the preceding paragraph.

(Claims for damages)

Article 16. When an owner has incurred liability to compensate for damage pursuant to Article 3 of the Act, a victim may claim payment of damages from the company, based on the provisions of Article 16 of the Act.

(Exemption in the case of double contracts)

Article 17. In the case where other liability insurance contract and/or liability for mutual aid contract has been concluded in addition to the insurance contract hereunder in respect of the insured automobile, the company shall not pay an insurance claim, the amount of compensation for damage and the provisional payment under the provisions of paragraph 1 of Article 17 (hereinafter referred to as “provisional payment” in this Article) for an accident that occurred during the insurance period that overlaps with such other insurance period and/or mutual aid period of the contract concluded prior to the conclusion of insurance hereunder.

2. In the case of preceding paragraph, if the company, in response to a claim for the amount of compensation for damage or provisional payment (hereinafter referred to as “payment of the amount of compensation for damage, etc.” in this paragraph and paragraph 4), has made payment of the amount of compensation for damage, etc., the company shall acquire the rights of the victim against the insured who is liable up to the limit of the amount of such payment except in the case where the company or the victim have known the existence of other contract that was concluded prior to the conclusion of the insurance contract hereunder.
3. In the case where other liability insurance contract and/or mutual aid contract has been concluded in addition to the insurance contract hereunder in respect of the insured automobile, if there exist 2 or more policies including this contract concluded at the earliest time, the company shall not pay with respect to any amount that exceeds the amount obtained by dividing the amount of the insurance claim, the amount of compensation for damage and provisional payment that should be paid under the insurance contract hereunder by the number of such contracts.
4. In the case of the preceding paragraph, if the company has made a payment in response to a claim for the amount of compensation for damage, etc., the company shall acquire the rights of the victim against the insured who is liable up to the limit of payment of the amount of compensation for damage, etc. that should be exempted pursuant to the provisions of the preceding paragraph, except in the case where the company or the victim has known the existence of the other contract that was concluded at the earliest time.

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

(Exemption of damage caused by malicious intent)

Article 18. The company shall not pay an insurance claim with respect to damage caused by malicious intent of the policyholder or the insured.

(Designated dispute settlement body)

Article 19. Notwithstanding the provisions of preceding 2 paragraphs, both of the parties may apply for dispute resolution to a designated dispute settlement body as stipulated in the provision of Article 23-5 of the Act in the case where a dispute arises between the company and the insured or the victim with respect to the decision of the amount of insurance claim or the amount of compensation for damage that the company should pay.

2. The company shall abide by that mediation in the case where the dispute resolution is conducted by the designated dispute settlement body under the preceding paragraph. However, this provision shall not apply in the case of a decision that has been made by a judgment, compromise or mediation, etc. in a court of Act.

(Subrogation)

Article 20. When the insured is entitled to claim damages or has acquired other entitlements as a result of damages arising, and when the company has paid an insurance claim to the insured for said damages or paid damages to the victim, those entitlements shall be transferred to the company, provided, however, that the transfer shall be limited to following amounts.

- (1) When the company has paid the full amount of damages as payment of an insurance claim or indemnity for damage: The full amount of the entitlement of the insured
 - (2) Cases other than the preceding item: The entitlement acquired by the insured, minus the amount of damages for which an insurance claim or indemnity for damage have not been paid
2. In item (2) of the preceding paragraph, entitlements that are not transferred to the company but remain in the possession of the insured shall be settled with priority over the entitlements transferred to the company.
 3. The insured shall submit to the company all of the documents necessary in order to exercise the rights under the preceding paragraph if an insurance claim was paid to the insured or the amount of compensation for damage was paid to the victim.

(Statutory lien)

Article 21. Entitled claimants for damages arising from an accident shall have statutory lien concerning entitlements for insurance claims by the insured to the company.

2. Entitlements for insurance claims may not be transferred to a third party other than an entitled claimant. Entitlements for insurance claims may not be used as rights of pledge, and may not be seized, except when seizing entitlement to said damages claim; provided, however, that this shall not apply to cases in which the insured has paid damages to the victim.

(Re-issue of certificate, etc.)

Article 22. The company shall reissue a certificate or insurance sticker to the policyholder in

POLICY CONDITIONS FOR AUTOMOBILE LIABILITY INSURANCE

the case applicable to any of the following items. However, in the case of receiving a reissue of insurance sticker the policyholder shall present his/her certificate.

- (1) Upon submission of a certificate or insurance sticker that is damaged or has become difficult to identify; or
- (2) In the case where a certificate or insurance sticker can not be presented due to theft, fire or loss, upon submission of documents proving such fact.

(Governing Act)

Article 23. Any matters not provided in the policy conditions hereof shall be governed by the Acts and regulations of Japan.

ORDINANCE CONCERNING MEASURES TO ACHIEVE PROPER PAYMENT OF AUTOMOBILE LIABILITY INSURANCE CLAIMS, ETC., AND AUTOMOBILE LIABILITY MUTUAL AID CLAIMS, ETC.

(Ordinance of the Cabinet Office and the Ministry of Land, Infrastructure, Transport and Tourism No. 2, December 21, 2001)

History of Amendment

No. 1, March 7, 2005

No. 4, December 1, 2008

CHAPTER I. GENERAL PROVISIONS

(Terms)

Article 1. The terms used in this Ordinance shall be governed by those used in the Automobile Liability Security Act (hereinafter “the Act”).

CHAPTER II. MEASURES TO ACHIEVE PROPER PAYMENT

(Issue of written statements)

Article 2. The matters to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under paragraph 1, Article 16-4 of the Act shall be those set forth below.

- (1) A summary of the standards for payment.
- (2) A summary of the procedure for payment of insurance claim, etc.
- (3) A summary of designated dispute settlement organizations.

Article 3. The matters to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under paragraph 2, Article 16-4 of the Act shall be those set forth below.

- (1) The date of the accident.
- (2) The amount of payment for each of the damages set forth in the items of paragraph 1, Article 2 of the Order for Enforcement of the Automobile Liability Security Act (hereinafter “the Order”).
- (3) In cases corresponding to permanent disability, the grade to which they correspond (hereinafter “grade of permanent disability”) and the reason for determining such grades.
- (4) When the amount of the insurance claim, etc., has been reduced from the amount of damage, the rate of such reduction and the reason for determining said reduction.

Article 4. Insurance companies must, when intending to issue the written statement stipulated in paragraph 3, Article 16-4 of the Act, describe the following matters on said written statement.

- (1) A summary of the circumstances of the accident.

- (2) When it is judged that the insured is not liable to compensate for damages, the reason for said judgment.
- (3) When it is judged that no damages have arisen as a result of the accident, the reason for said judgment.
- (4) When it is judged that the insurance company is exempted from liability to indemnify for damages under the provisions of Article 14 of the Act, the reason for said judgment.

(Means of utilizing information and communication technology)

Article 5. The means to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under the provisions of paragraph 4, Article 16-4 of the Act as an alternative to the issuance of written statements set forth in the same paragraph shall be those set forth below.

- (1) One of the means of utilizing an electronic information processing system (meaning an electronic information processing system that links a computer used by an insurance company to a computer used by the insured or the victim via telecommunication lines; the same shall apply hereinafter) that are set forth in (a) or (b) below.
 - (a) A means whereby the matters set forth in the preceding three Articles (hereinafter “described matters”) are transmitted via telecommunication lines from a computer used by an insurance company to a computer used by the insured or the victim, and are recorded in a file installed in said computer.
 - (b) A means whereby described matters recorded in a file installed in a computer used by an insurance company are provided via telecommunication lines for perusal by the insured or the victim, and are recorded in a file installed in a computer used by the insured or the victim.
- (2) A means of issuing media on which the matters to be described in written statements have been recorded on a file prepared using a magnetic disk (including other media on which certain matters may be recorded reliably using a method equivalent to this; the same shall apply hereinafter).
2. The means set forth in the preceding paragraph must be one in which the insured or the victim is able to prepare written statements by outputting the records existing on the file.

Article 6. The type of electromagnetic means to be indicated under the provisions of paragraph 1, Article 4-2 of the Order shall be, of the means set forth in paragraph 1 of the preceding Article, that used by the insurance company, and the content of the electromagnetic means to be indicated shall be the means of recording in a file.

2. The electromagnetic means to be used when indicating consent under paragraph 1, Article 4-2 of the Order or making a request under paragraph 2 of the same Article (hereafter in this paragraph “consent, etc.”) shall be one the means set forth below.
 - (1) One of the means of utilizing an electronic information processing system set forth in (a) or (b) below.
 - (a) A means whereby an indication of consent, etc., is transmitted via

telecommunication lines from a computer used by the insured or the victim to a computer used by an insurance company, and is recorded in a file installed in said computer.

- (b) A means whereby the type and content of the electromagnetic means stipulated in the preceding paragraph, when recorded in a file installed in a computer used by an insurance company, are provided via telecommunication lines for perusal by the insured or the victim, and the indication of the consent, etc., is recorded in a file installed in said computer.

- (2) The means stipulated in item 2, paragraph 1 of the preceding Article.

(Explanation, etc., by written statement)

Article 7. The matters to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under paragraph 1, Article 16-5 of the Act shall be those set forth below.

- (1) The detailed circumstances of the accident.
- (2) Specific details of the expenses incurred for payment due to the accident, profit lost due to the accident, pain and suffering and other damages, and the details of the calculations for each reported item.
- (3) In cases corresponding to permanent disability, the detailed reason for determining the grade of permanent disability.
- (4) When the amount of insurance claim, etc., has been reduced from the amount of damage, the detailed reason for determining the rate of such reduction.
- (5) When it is judged that the insured is not liable to compensate for damages, the detailed reason for said judgment.
- (6) When it is judged that no damages have arisen as a result of the accident, the detailed reason for said judgment.
- (7) When it is judged that the insurance company is exempted from liability to indemnify for damages under the provisions of Article 14 of the Act, the detailed reason for said judgment.

(Means of utilizing information and communication technology)

Article 8. The means to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under the provisions of paragraph 5, Article 16-5 of the Act shall be the means set forth in paragraph 1, Article 5.

- 2. The provisions of paragraph 2, Article 5 shall apply mutatis mutandis to the means stipulated in the preceding paragraph.

Article 9. The provisions of paragraph 1, Article 6 shall apply mutatis mutandis to the type and content of the electromagnetic means to be indicated under the provisions of paragraph 1, Article 4-2 of the Order as applied mutatis mutandis under Article 4-3 of the Order, and the provisions of paragraph 2, Article 6 to the consent, etc., in Article 4-2 of the Order as applied mutatis mutandis under Article 4-3 of the Order, respectively.

(Application of provisions concerning liability insurance)

Article 10. The provisions of Article 2 through the preceding Article shall apply mutatis mutandis to liability mutual aid. In this case, “insurance claim, etc.” in these provisions shall be read as “mutual aid claim, etc.”, “insurance company” as “cooperative”, and “the insured” as “the insured of mutual aid”.

CHAPTER III. DESIGNATED DISPUTE SETTLEMENT ORGANIZATIONS

(Application for designation as a designated dispute settlement organization)

Article 11. Organizations that intend to receive designation under the provisions of paragraph 1, Article 23-5 of the Act must submit an application describing the following matters to the Minister of Land, Infrastructure and Transport and the Prime Minister.

- (1) The business name and address.
 - (2) The location of the office where dispute settlement activities are to be carried out.
 - (3) The date on which dispute settlement activities will be begun.
2. The written statements set forth in each of the following items must be appended to the application in the preceding paragraph.
- (1) Transcripts of the articles of association and the company register
 - (2) The inventory of assets for the business year before that in which the date of the application falls (or, in the case of a corporation established in the business year in which the date of the application falls, the inventory of assets at the time of establishment) and balance sheet.
 - (3) Documents certifying the decision to make the application.
 - (4) Documents describing the names and profiles of officers.
 - (5) Documents describing matters concerning the organization and its management.
 - (6) Documents describing the names and profiles of persons to be selected as dispute settlement members.
 - (7) Documents describing a summary of activities currently undertaken.
 - (8) Documents describing other relevant matters.

(Notice to indicate status as a designated dispute settlement organization)

Article 12. Designated dispute settlement organizations must place a notice indicating their business name together with the text “designated dispute settlement organization” in a clearly visible location near their office entrance or reception desk.

(Applications for dispute settlement)

Article 13. Persons intending to apply for dispute settlement must submit a dispute settlement application describing the following matters to a designated dispute settlement organization.

- (1) The name and address of the party to a dispute and their agent.
- (2) The matter requiring dispute settlement.
- (3) Problems with the dispute, a summary of the negotiation process and the content of the claim.

- (4) A summary of the circumstances of the accident and other matters relevant when settling disputes.
- (5) The date of the application.

(Start of mediation)

Article 14. When a designated dispute settlement organization has received a dispute settlement application from one or both of the parties to a dispute, it shall carry out mediation.

(When mediation is declined)

Article 15. Designated dispute settlement organizations shall decline to carry out mediation when they deem it inappropriate to mediate on the dispute owing to the nature thereof, or when they deem that a party to a dispute has improperly applied for mediation without due cause.

(Filing of mediation records, etc)

Article 16. Designated dispute settlement organizations must file mediation records describing the course of deliberation and other documents concerning a case for 10 (ten) years from the date on which the procedures for dispute settlement were completed.

(Number of dispute settlement members to be selected)

Article 17. The number to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under paragraph 1, Article 23-7 of the Act shall be 30 (thirty).

(Selection and dismissal of officers, etc.)

Article 18. Designated dispute settlement organizations must, when intending to obtain approval for the selection or dismissal of officers under the provisions of paragraph 1, Article 23-8 of the Act (including dispute settlement members; the same shall apply hereafter in this Article), submit an application describing the following matters to the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister.

- (1) The names and profiles of officers to be selected or dismissed.
- (2) The scheduled date of the selection or dismissal.
- (3) The reason for the selection or dismissal.

(Matters described in dispute settlement activities bylaws)

Article 19. The matters to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under paragraph 2, Article 23-11 of the Act shall be those set forth below.

- (1) Matters concerning the hours for carrying out dispute settlement activities and holidays.
- (2) The location of the office and matters concerning the area within which said office carries out dispute settlement activities.
- (3) Matters concerning the method of carrying out dispute settlement activities.
- (4) Matters concerning the method of collecting the expenses stipulated in Article 26.

- (5) Matters concerning the selection and dismissal of dispute settlement members.
- (6) Matters concerning the protection of confidentiality concerning dispute settlement activities.
- (7) Matters concerning the allocation of dispute settlement members.
- (8) Matters concerning the system for carrying out dispute settlement activities.
- (9) Other matters necessary for carrying out dispute settlement activities.

(Application for approval of business plans, etc.)

Article 20. Designated dispute settlement organizations must, when intending to receive approval for business plans as well as budgets pertaining to dispute settlement activities under the provisions of the first sentence of paragraph 1, Article 23-14 of the Act, submit an application together with the following documents to the Minister of Land, Infrastructure and Transport, and Tourism and the Prime Minister.

- (1) The estimated balance sheet for the previous business year.
- (2) The estimated balance sheet for the current business year.
- (3) Besides those set forth in the preceding two items, documents relevant to budgets pertaining to dispute settlement activities.

(Application for approval of changes to business plans, etc.)

Article 21. Designated dispute settlement organizations must, when intending to receive approval for changes to business plans or budgets pertaining to dispute settlement activities under the provisions of the second sentence of paragraph 1, Article 23-14 of the Act, submit an application describing the matters to be changed and the reason for the change to the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister. In this case, when changes in budgets are accompanied by changes in the documents set forth in item (2) or (3) of the preceding Article, the relevant documents after said change must also be appended.

(Submission of business reports, etc.)

Article 22. Designated dispute settlement organizations must, when submitting business reports and financial statements pertaining to dispute settlement activities under the provisions of paragraph 2, Article 23-14 of the Act, also append the inventory of assets and balance sheet.

(Suspension or termination of activities)

Article 23. Designated dispute settlement organizations must, when intending to receive permission under the provisions of paragraph 1, Article 23-15 of the Act, submit an application describing the date and duration of the proposed suspension or termination as well as the reason for the suspension or termination to the Minister of Land, Infrastructure, Transport and Tourism and the Prime Minister.

(Books)

Article 24. The matters described in books to be provided in Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism and Cabinet Office Ordinance under Article 23-16 of the Act shall be those set forth below.

- (1) The date on which the dispute settlement application was received.
 - (2) The date on which dispute settlement was carried out.
 - (3) The names and addresses of the parties to a dispute and their agents.
 - (4) The name of the dispute settlement member who carried out the dispute settlement.
 - (5) The result of the dispute settlement.
 - (6) If the expenses stipulated in Article 26 have been collected, the amount thereof.
2. If the matters set forth in each of the items of the preceding paragraph are recorded in a file or magnetic disk installed in a computer, and when clearly indicated on paper using a computer or other apparatus by a designated dispute settlement organization whenever necessary, said records may be used in lieu of statements in books under Article 23-16 of the Act (in the following paragraph simply “books”).
 3. Designated dispute settlement organizations must retain books (including a file or magnetic disk under the provisions of the preceding paragraph when recorded as in the same paragraph) until all of their dispute settlement activities have been terminated.

(On-the-spot inspections)

Article 25. The proof of identity in paragraph 2, Article 23-2 of the Act as applied mutatis mutandis under paragraph 2, Article 23-17 of the Act shall be in accordance with Attached Form No. 1.

(Expenses to be borne by parties to a dispute)

Article 26. Designated dispute settlement organizations may, when the head of a designated dispute settlement organization deems it reasonable, cause the parties to a dispute to bear the expenses needed for official appraisal, appearance by witnesses or other procedures for dispute settlement pertaining to a claim by the said parties.

CABINET ORDER PROVIDING FOR AMOUNTS OF CONTRIBUTIONS, ETC., FOR AUTOMOBILE LIABILITY COMPENSATION BUSINESS

(Cabinet Order No. 316, December 1, 1955)

History of Amendment

Cabinet Order No. 18, January 30, 1958
Cabinet Order No. 269, July 28, 1966
Cabinet Order No. 204, July 24, 1967
Cabinet Order No. 295, September 16, 1967
Cabinet Order No. 263, September 18, 1970
Cabinet Order No. 350, November 27, 1973
Cabinet Order No. 261, June 27, 1978
Cabinet Order No. 282, July 5, 1978
Cabinet Order No. 4, January 22, 1985
Cabinet Order No. 4, January 22, 1991
Cabinet Order No. 9, January 27, 1993
Cabinet Order No. 276, September 13, 1996
Cabinet Order No. 162, April 11, 1997
Cabinet Order No. 184, May 27, 1998
Cabinet Order No. 393, December 15, 1998
Cabinet Order No. 244, June 7, 2000
Cabinet Order No. 312, June 7, 2000
Cabinet Order No. 88, March 29, 2002

(Amount of Automobile Liability Compensation Business Contribution)

Article 1. The amount of the Automobile Liability Compensation Business Contribution that must be paid by insurance companies or cooperatives pursuant to Article 78 of the Automobile Liability Security Act (hereinafter “the Act”) shall be an amount calculated in accordance with Equation No. 1 for each liability insurance or liability mutual aid contract concluded.

(Amount of negligence fine)

Article 2. The amount of the negligence fine that may be collected by the Government pursuant to Article 79 of the Act shall be an amount calculated in accordance with Equation No. 2 for each motor vehicle.

Equation No. 1 (Related to Article 1)

$$N \times (25 \div 10,000) + (E - A) \times \{K \div (K + 4)\} \times (6 \div 1,000)$$

Notes:

In this equation, the meanings of N, E, A and K shall be as follows.

N The amount of pure insurance premiums or pure mutual aid premiums.

- E The amount of expense-loading insurance premiums or expense-loading mutual aid premiums.
- A An amount prescribed by Notification of the Minister of Land, Infrastructure, Transport and Tourism following discussion with the Commissioner of the Financial Services Agency (or, in cases related to liability mutual aid contracts concluded by agricultural cooperatives, etc., the Minister of Agriculture, Forestry and Fisheries, in cases related to liability mutual aid contracts concluded by consumer cooperatives, etc., the Minister of Health, Labour and Welfare, and in cases related to liability mutual aid contracts concluded by common facility cooperatives, etc., minister with jurisdiction over the business) as the amount equivalent to the sum of expenses required for the procedure of concluding a liability insurance or liability mutual aid contract.
- K When the period of insurance or mutual aid is based on years, the number of years; when based on months, the proportion compared to 12 (twelve) of those months; and when based on days, the proportion compared to 365 (three hundred and sixty-five) of those days.

Equation No. 2 (Related to Article 2)

$$N \times (25 \div 10,000) + (E - A) \times (1 \div 1,000)$$

Note:

In this equation, N, E and A, respectively, shall be taken as N, E and A in Equation No. 1 related to liability insurance contracts with an insurance term of 1 (one) year corresponding to the type of automobile in question.

RULES FOR AUTOMOBILE LIABILITY COMPENSATION BUSINESS ENTRUSTMENT CONTRACTS

(Ordinance of the Ministry of Transport No. 3, February 6, 1956)

History of Amendment

No. 2, February 4, 1959
No. 1, January 30, 1960
No. 6, February 11, 1961
No. 1, January 31, 1963
No. 65, September 5, 1964
No. 1, January 30, 1965
No. 50, September 28, 1966
No. 2, March 9, 1968
No. 10, March 31, 1973
No. 12, March 29, 1975
No. 13, March 28, 1983
No. 4, March 26, 1986
No. 2, January 31, 1990
No. 8, March 25, 1992
No. 6, March 24, 1994
No. 11, March 26, 1998
No. 39, November 29, 2000

Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism

No. 149, December 21, 2001
No. 35, March 26, 2003
No. 18, March 29, 2006
No. 12, March 31, 2008
No. 8, March 25, 2009

(Application of this Ministerial Ordinance)

Article 1. Rules concerning contracts for entrustment of Automobile Liability Compensation Business under the provisions of paragraph 3, Article 22 of the Order for Enforcement of the Automobile Liability Security Act (Cabinet Order No. 286 of 1955; hereinafter “the Order”) shall be as provided in this Ministerial Ordinance.

(Scope of business subject to entrustment)

Article 2. The Government shall entrust the insurance companies or the cooperatives with receipt of the claims for damages to be indemnified, investigation of the amount of damages to be indemnified, payment of indemnity and other business under the provisions of paragraph 1, Article 72 of the Automobile Liability Security Act (Act No. 97 of 1955; hereinafter “the Act”), other than decisions on amounts of indemnity, in accordance with

these Rules, based on the provisions of paragraph 1, Article 22 of the Order.

(Referral of written claims for indemnity)

Article 3. An insurance company or cooperative shall, when receiving a written claim for indemnity, refer the same to the Minister of Land, Infrastructure, Transport and Tourism without delay, appending a written investigation of the amount of damages to be indemnified.

(Decision of indemnity for damages)

Article 4. The Minister of Land, Infrastructure, Transport and Tourism shall, when receiving a written claim for indemnity referred as in the preceding Article, decide the amount of indemnity for damages and notify the insurance company or cooperative without delay.

(Payment of indemnity for damages)

Article 5. The insurance company or cooperative shall, when receiving the notification in the preceding Article, immediately pay the indemnity for damages decided under the provisions of the same Article to the person who made the claim for indemnity (hereinafter “the claimant”).

2. The Minister of Land, Infrastructure, Transport and Tourism shall pay indemnity for damages paid under the provisions of the preceding paragraph to the insurance company or cooperative without delay on a monthly basis.

Article 6. through Article 8. Deleted

(Method of payment of entrustment fees)

Article 9. Entrustment fees shall be paid once a year to insurance companies and cooperatives.

2. The year in the preceding paragraph shall start in February of one year and end in January of the next.
3. Entrustment fees shall be paid without delay after the passage of the period in the preceding paragraph.

(Amount of entrustment fees)

Article 10. The amount of entrustment fees shall be an amount calculated for each year in accordance with the Equation below, provided however that the total amount may not exceed an amount provided in the budget.

(Notice)

Article 11. When the Government has paid indemnity for damages under the provisions of the first sentence of paragraph 1, Article 72 of the Act and the person who is not liable to compensate for damages becomes clear, the insurance company or cooperative shall notify the Minister of Land, Infrastructure, Transport and Tourism of the following matters without delay.

- (1) The names and addresses of the person who is liable to compensate for damages and the claimant, as well as the date on which the payment in paragraph 1, Article 5 was made.

- (2) The automobile registration number or vehicle number of the automobile in question, the identification plate (meaning an identification plate as provided in paragraph 3, Article 446 of the Local Tax Act (Act No. 226 of 1950) (including cases applied mutatis mutandis under paragraph 2, Article 1 of the same Act)) or the registration number under the provisions of the Convention on Road Traffic (or, if none of these exists, the chassis number).
- (3) The name of the insurance company or cooperative pertaining to said automobile, and no. of the certificate of automobile liability insurance, or no. of the certificate of automobile liability mutual aid..

(Reports, etc.)

Article 12. The Minister of Land, Infrastructure, Transport and Tourism may request reports or the disclosure of books and records related to entrusted business from insurance companies and cooperatives.

(Cancellation of entrustment contracts)

Article 13. The Minister of Land, Infrastructure, Transport and Tourism or insurance companies or cooperatives shall, when intending to cancel an entrustment contract, give a minimum of 6 (six) months' notice to the other party.

Article 14. The Minister of Land, Infrastructure, Transport and Tourism may immediately cancel a entrustment contract when an insurance company or a cooperative violates its obligations based on said entrustment contract, fails to make reports under the provisions of Article 12, or refuses a request for disclosure.

Equation (Related to Article 10)

$$(C + T) \times 0.4293 \times (N \div M)$$

Notes:

- (1) In this equation, C and T, respectively, shall express the following amounts during the period specified in paragraph 2, Article 9.
 - C The Government's revenues from Automobile Liability Compensation Business Contribution.
 - T An amount equivalent to the Automobile liability Compensation Business Contribution transferred from the General Account to the Automobile Safety Special Account.
- (2) In this equation, M and N, respectively, shall express the following number of claims during the period specified in paragraph 2, Article 9.
 - M The number of written claims for indemnity received by all insurance companies and cooperatives.
 - N The number of written claims for indemnity received by the insurance company or cooperative in question.

ORDER ON THE ACCUMULATION, ETC., OF RESERVE FUNDS PROVIDED IN PARAGRAPH 1, ARTICLE 28-3 OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Ordinance of the Ministry of Finance, the Ministry of Health and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of International Trade and Industry, and the Ministry of Transport No. 1, March 13, 1997)

History of Amendment

Ordinance of the General Administrative Agency of the Cabinet, the Ministry of Finance, the Ministry of Health and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of International Trade and Industry, and the Ministry of Transport

No. 1, March 31, 2000

Ordinance of the General Administrative Agency of the Cabinet, the Ministry of Health and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of International Trade and Industry, and the Ministry of Transport

No. 1, June 26, 2000

Ordinance of the Cabinet Office, the Ministry of Health, Labour and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of Economy, Trade and Industry, and the Ministry of Land, Infrastructure, Transport and Tourism

No. 3, March 31, 2005

No. 1, March 30, 2007

(Accumulation of reserve funds by insurance companies)

Article 1. Insurance companies shall, at the end of each business year (meaning the period from April 1 to March 31 of the following year; the same shall apply hereinafter), accumulate the amount as set forth in each of the following items, in accordance with the categories as set forth in each of said items, as the Reserve Funds to be provided in the competent Ministerial Ordinance under paragraph 1, Article 28-3 of the Automobile Liability Security Act (Act No. 97 of 1955; hereinafter “the Act”).

- (1) **Mandatory Reserve Fund:** Of the balance of revenue and expense arising from liability insurance business, an amount calculated in accordance with the method described in the documents listed in item 4, paragraph 2, Article 4 of the Insurance Business Act (Act No. 105 of 1995) (hereinafter “statement of calculation procedures”) as the amount of said difference related to liability insurance contracts whose period from the date on which the insurance period begun to the last day of the business year concerned is not more than 4 (four) years, based on the amount obtained by subtracting the amount in subitem (c) from the total of the amounts in subitem (a) and (b) related to said contracts.
 - (a) An amount obtained after subtracting the amount collected from the amount allocated through joint pooling affairs in each business year.
 - (b) The amount of assumed interest accruing in each business year (meaning the

profit from asset investment estimated to arise within an insurance period when calculating premiums for liability insurance with an insurance period of more than 1 (one) year).

- (c) The amount of reserve for outstanding claims to be accumulated by the end of the current business year.
- (2) Adjustment Reserve Fund: Of the balance of revenue and expense arising from liability insurance business, an amount calculated in accordance with the method described in the statement of calculation procedures as the amount of said difference related to liability insurance contracts whose term from the date on which the insurance period begun to the last day of the current business year is more than 4 (four) years, based on the amount obtained by subtracting the amount in (iii) of the preceding item from the total of the amounts in (i) and (ii) of the same item related to said contracts.
- (3) Expense Loading Reserve Fund: Of the balance of revenue and expense arising from liability insurance business, an amount calculated in accordance with the method described in the statement of calculation procedures as the amount of said difference other than those provided in the preceding two items, based on the amount of the balance of revenue and expense related to the expenses needed to undertake liability insurance business, and, of the investment profit arising from liability insurance business, an amount calculated in accordance with the method described in the statement of calculation procedures as the amount of said profit related to said balance of revenue and expense, the Reserve Funds comprising the total of these two amounts.
- (4) Investment Yield Reserve Fund: Of the investment profit arising from liability insurance business, an amount calculated in accordance with the method described in the statement of calculation procedures as the amount of said profit other than that provided in the preceding item, based on the amount obtained by subtracting the total of the amount of expenses needed for asset investment, the amount in subitem (b), item (1) and the amount of investment profit provided in the preceding item from the amount of profit on said asset investment related to liability insurance business.

(Drawing down of reserve funds by insurance companies)

Article 2. The cases to be provided in Competent Ministerial Ordinance under paragraph 1, Article 28-3 of the Act shall be those as set forth in each of the following items.

- (1) Cases in which the Investment Yield Reserve Fund provided in item (4) of the preceding Article is drawn down in order to furnish the expenses needed for measures for automobile accident prevention, improvement of emergency medical systems, measures for automobile accident victims, measures for permanent disability recognition, measures for correction of payment of medical expenses or other measures that contribute to an improvement in liability insurance budgets or improved protection for automobile accident victims.

- (2) Cases in which, due to changes in tax rates for corporation tax, etc. (meaning corporation tax and other taxes levied on the basis of amounts related to profit or surplus; the same shall apply hereinafter), the Adjustment Reserve Fund provided in item (2) of the preceding Article, the Expense Loading Reserve Fund provided in item (3) of the same Article, and the Investment Yield Reserve Fund provided in item (4) of the same Article are drawn down in line with the reduction in the amount equivalent to corporation tax, etc., calculated on the basis of the amounts of these reserve funds, in cases subject to the application of tax effect accounting (meaning accounts processing with the aim of rationally offsetting amounts of corporation tax, etc., against amounts of current term profit or current term surplus, or current term net profit or current term net surplus, before deducting corporation tax, etc., by allocating corporation tax, etc. into appropriate accounting periods, related to the difference between the amount of assets and liabilities accounted on the balance sheet and the amount of assets and liabilities computed through calculation of taxable income).

(Accumulation and drawing down of reserve funds by cooperatives)

Article 3. The provisions of the preceding two Articles shall apply mutatis mutandis to agricultural cooperatives, etc. In such cases, “insurance companies” in these provisions shall be read as “agricultural cooperatives, etc.”, “paragraph 1, Article 28-3” as “paragraph 1, Article 28-3 as applied mutatis mutandis under paragraph 2 of the same Article”, “liability insurance business” as “liability mutual aid business”, “insurance period” as “mutual aid period”, “liability insurance contracts” as “liability mutual aid, re-mutual aid or retrocession-mutual aid contracts”, “subitem (a) related to said contracts” as “subitem (a) related to said contracts (excluding those concluded before 10 (ten) years have passed from the date of enforcement of the Act for Partial Amendment of the Automobile Liability Security Act (Act No. 137 of 1995; hereafter in this Article “Revision Act”))”, “the amount obtained by subtracting the amount in subitem (c)” as “the total of the amount obtained by subtracting the amount in subitem (c) plus the balance of revenue and expense related to said contracts as calculated in accordance with a method to be provided in the Minister of Agriculture, Forestry and Fisheries (excluding those concluded before 10 (ten) years have passed from the date of enforcement of Revision Act)”, “documents listed in item 4, paragraph 2, Article 4 of the Insurance Business Act (Act No. 105 of 1995)” as “mutual aid rules provided in paragraph 1, Article 11-7 of the Agricultural Cooperative Association Act (Act No. 132 of 1947)”, “statement of calculation procedures” as “mutual aid rules”, “premiums for liability insurance” as “premiums for liability mutual aid”, “subitem (a) of the same item related to said contracts” as “subitem (a) of the same item related to said contracts (excluding those concluded before 10 (ten) years have passed from the date of enforcement of Revision Act)”, “improvement in liability insurance budgets” as “improvement in liability mutual aid budgets”, and “item (4) of the preceding Article” as “item (4) of the preceding Article as applied mutatis mutandis under paragraph 1 of the following Article”

2. The provisions of the preceding two Articles shall apply mutatis mutandis to consumer cooperatives, etc. In such cases, “insurance companies” in these provisions shall be read as “consumer cooperatives, etc.”, “paragraph 1, Article 28-3” as “paragraph 1, Article 28-3 as applied mutatis mutandis under paragraph 3 of the same Article”, “liability insurance business” as “liability mutual aid business”, “insurance period” as “mutual aid period”, “liability insurance contracts” as “liability mutual aid or re-mutual aid contracts”, “documents listed in item (4), paragraph 2, Article 4 of the Insurance Business Act (Act No. 105 of 1995)” as “rules provided in paragraph 1, Article 216-3 of the Consumer Livelihood Cooperative Association Act (Act No. 200 of 1948) as applied mutatis mutandis pursuant to paragraph 2 of the same Article”, “statement of calculation procedures” as “mutual aid business rules”, “premiums for liability insurance” as “premiums for liability mutual aid”, “improvement in liability insurance budgets” as “improvement in liability mutual aid budgets”, and “item (4) of the preceding Article” as “item (4) of the preceding Article as applied mutatis mutandis under paragraph 2 of the following Article”.
3. The provisions of the preceding two Articles shall apply mutatis mutandis to common facility cooperatives, etc. In such cases, “insurance companies” in these provisions shall be read as “common facility cooperatives, etc.”, “paragraph 1, Article 28-3” as “paragraph 1, Article 28-3 as applied mutatis mutandis under paragraph 4 of the same Article”, “liability insurance business” as “liability mutual aid business”, “insurance period” as “mutual aid period”, “liability insurance contracts” as “liability mutual aid, re-mutual aid or retrocession-mutual aid contracts”, “documents listed in item (4), paragraph 2, Article 4 of the Insurance Business Act (Act No. 105 of 1995)” as “mutual aid rules provided in paragraph 1, Article 9-6-2 of the Act on the Cooperative Associations of Small and Medium Enterprises (Act No. 181 of 1949) (including cases applied mutatis mutandis under paragraph 5, Article 9-9 of the same Act)”, “statement of calculation procedures” as “mutual aid rules”, “premiums for liability insurance” as “premiums for liability mutual aid”, “improvement in liability insurance budgets” as “improvement in liability mutual aid budgets”, and “item (4) of the preceding Article” as “item (4) of the preceding Article as applied mutatis mutandis under paragraph 3 of the following Article”.
4. Notwithstanding the provisions of the preceding three paragraphs, when a cooperative that bears mutual aid liability under a liability mutual aid contract (hereinafter “liability mutual aid cooperative”) concludes a contract where whole of said mutual aid liability is covered by re-mutual aid with other cooperatives, the cooperative that bears re-mutual aid liability under such re-mutual aid contract (hereinafter “re-mutual aid cooperative”) may accumulate, on behalf of the liability mutual aid cooperative that concluded said re-mutual aid contract, the reserve funds provided in Article 1 as applied mutatis mutandis under the preceding three paragraphs related to said liability mutual aid cooperative, and when a re-mutual aid cooperative concludes a contract where whole of said re-mutual aid is covered by retrocession-mutual aid with other cooperatives, the cooperative that bears retrocession-mutual aid liability under such retrocession-mutual aid contract may

accumulate, on behalf of the re-mutual aid cooperative that concluded said retrocession-mutual aid contract and the liability mutual aid cooperative that concluded the re-mutual aid contract with said re-mutual aid cooperative, the reserve funds provided in Article 1 as applied mutatis mutandis under the preceding three paragraphs related to said re-mutual aid cooperative and said liability mutual aid cooperative.

CABINET OFFICE ORDINANCE CONCERNING REPORTS TO NON-LIFE INSURANCE RATING ORGANIZATIONS BY INSURANCE COMPANIES AND MUTUAL AID COOPERATIVES PROVIDED IN PARAGRAPH 1, ARTICLE 29-2 OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Ordinance of the Ministry of Finance No. 61, November 29, 1996)

History of Amendment

Ordinance of the Administrative Agency of the Cabinet and Ministry of Finance

No. 3, June 18, 1998

Ordinance of the Administrative Agency of the Cabinet

No. 65, June 26, 2000

No. 116, October 10, 2000

(Reports to non-life insurance rating organizations by insurance companies and cooperatives)

Article 1. Reports to non-life insurance rating organizations (meaning Non-Life Insurance Rating Organizations designated by the Commissioner of the Financial Services Agency as provided in paragraph 1, Article 29-2 of the Automobile Liability Security Act (Act No. 97 of 1955; hereinafter “the Act”); the same shall apply in the heading of the following Article) by insurance companies (meaning insurers of liability insurance provided in paragraph 1, Article 6 of the Act; the same shall apply hereinafter) and cooperatives (meaning insurers of mutual aid liability as set forth in each of the items of paragraph 2, Article 6 of the Act; the same shall apply hereinafter), as provided in paragraph 1, Article 29-2 of the Act, shall be prepared in accordance with the attached Forms, in accordance with the categories of Forms as set forth in each of the following items, in the manner provided in each of said items.

- (1) Attached Form No. 1 to Attached Form No. 8: Shall be compiled once monthly and reported within two months after the end of that month.
- (2) Attached Form No. 9 to Attached Form No. 12: Shall be compiled once per business year (meaning the period from April 1 to March 31 of the following year; the same shall apply hereinafter) and reported within four months after the end of that business year.

(Reports to non-life insurance rating organizations when cooperatives conclude re-mutual aid contracts or retrocession-mutual aid contracts)

Article 2. When a cooperative that bears mutual aid liability for the automobile liability mutual aid provided in Article 5 of the Act (hereinafter “liability mutual aid”) (hereinafter “liability mutual aid cooperative”) concludes a contract with a cooperative who covers mutual aid liability borne under liability mutual aid contracts by its re-mutual aid, whereby whole of the mutual aid liability borne by said liability mutual aid cooperative is covered by said re-mutual aid cooperative, said liability mutual aid cooperative shall be

regarded as having made the report in the preceding Article upon said re-mutual aid cooperative making the report in the same Article pertaining to said re-mutual aid.

2. When a re-mutual aid cooperative concludes a contract with a cooperative who covers re-mutual aid liability borne under re-mutual aid contracts (hereinafter “retrocession-mutual aid”) (hereinafter “retrocession-mutual aid cooperative”) by its retrocession-mutual aid, whereby whole of the re-mutual aid liability borne by said re-mutual aid cooperative is covered by said retrocession-mutual aid cooperative, said re-mutual aid cooperative shall be regarded as having made the report in the preceding Article upon said retrocession-mutual aid cooperative making the report in the same Article pertaining to said retrocession-mutual aid.

Attached Form No. 1 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate

Insurance (Mutual Aid) Contract Report

Insurance Company (Cooperative)

Item Code No.	Number of Vehicles	Commencement of Insurance (Mutual Aid) Period		Contracts Subject To Exceptional Measures
		Year	Month	
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

Insurance (Mutual Aid) Period	Type of Vehicle	Prefecture, etc.

Notes:

- (1) The Insurance (Mutual Aid) Term in the lower box shall be described as a number of months, provided however that contracts with a term of 5 (five) days shall be expressed as 5D.
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 2 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate

Insurance (Mutual Aid) Contract Alteration Report
Correction

Insurance Company (Cooperative)

Item Code No.	Number of Vehicles	Prefecture, etc.		Type of Vehicle After Alteration	Year and Month of Contract Alteration		Insurance (Mutual Aid) Commencement		Insurance (Mutual Aid) Term Period
		Old	New		Year	Month	Year	Month	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									

Type of Vehicle

Notes:

- (1) The Insurance (Mutual Aid) Period shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 3 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate

Insurance (Mutual Aid) Contract Alteration Report

Surcharge

Insurance Company (Cooperative)

Item Code No.	Number of Vehicles	Prefecture, etc.		Insurance (Mutual Aid) Period			Year and Month of Contract Alteration		Surcharge Premiums	Type of Vehicle After Alteration
		Old	New	Expiration		Period	Year	Month		
1				Year	Month					
2				Year	Month					
3				Year	Month					
4				Year	Month					
5				Year	Month					
6				Year	Month					
7				Year	Month					
8				Year	Month					
9				Year	Month					
10				Year	Month					

Type of Vehicle

Notes:

- (1) The Insurance (Mutual Aid) Period shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 4 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate

Additional Premium Collection Report

Insurance Company (Cooperative)

Item Code No.	Number of Vehicles	Prefecture, etc.	Expiration of Insurance (Mutual Aid) Period		Year and Month of Death		Additional Premiums	Default Interest
			Year	Month	Year	Month		
1								
2								
3								
4								
5								

Insurance (Mutual Aid) Period	Type of Vehicle

Notes:

- (1) The Insurance (Mutual Aid) Period in the lower box shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 5 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate	Insurance Premium (Mutual Aid Premium) Refund Report		Insurance Company (Cooperative)

Item Code No.	Number of Vehicles	Prefecture, etc.	Expiration of Insurance (Mutual Aid) Period		Year and Month of Contract Cancellation or Alteration		Refunded Insurance (Mutual Aid) Premiums	Type of Vehicle After Alteration	Prefecture, etc., After Alteration
			Year	Month	Year	Month			
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									

Insurance (Mutual Aid) Period	Type of Vehicle

Notes:

- (1) The Insurance (Mutual Aid) Period in the lower box shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 6 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate	Insurance Premium (Mutual Aid Premium) Refund Report	Insurance Company (Cooperative)
			Cancellation	

Item Code No.	Number of Vehicles	Type of Vehicle	Prefecture, etc.	Insurance (Mutual Aid) Period			Refunded Insurance Premiums (Mutual Aid Premiums)
				Commencement		Period	
				Year	Month		
1							
2							
3							
4							
5							

Notes:

- (1) The Insurance (Mutual Aid) Period shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 7 (Related to Article 1)

Contract Year	Year and Month of Filing	Category of Premium Rate

Additional Premium Refund, etc. Report

Insurance Company (Cooperative)

Item <div>Code No.</div>	Number of Vehicles	Type of Vehicle	Prefecture, etc.	Insurance (Mutual Aid) Period				Year and Month of Death		Refunded Additional Premiums	Returned Interest
				Expiration		Period					
				Commencement		Month		Year	Month		
				Year	Month						
1											
2											
3											
4											
5											

Notes:

- (1) The Insurance (Mutual Aid) Period shall be described in accordance with Attached Form No. 1, Notes: (1).
- (2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 8 (Related to Article 1)

Automobile Liability Insurance (Mutual Aid) Payment Report

Insurance Company (Cooperative)

Claim category	New		Additional		Appendix List No. of the Cabinet Order on permanent disability		Damages for pain and suffering	
Payment category	Insurance Return	Partial Provisional	Recovery	Subtotal				
Category of previously reported payment	Insurance	Partial	Provisional		Aggravation	Merge	Approximation	Damages for disability
Year and month of filing					Amount of claim investigated			
Company (cooperative) filing No.					Total			
Contract year					Male	Female	Other than below	
Rate category					Break-down			
Type of vehicle					Damages for disability or death			
Prefecture, etc.								
Certificate No.					No	Yes	Amount of claim approved by investigation	
Date of contract					Father	Mother	Non-concurrent insurance claim unpaid	
Commencement of insurance (mutual aid)					Spouse	Child	Non-concurrent insurance claim paid	
End of insurance (mutual aid)					Total insurance payment			
Insurance (mutual aid) term					Provisional payment			
Date and time of accident					Partial payments already received			
Date of acceptance by company (cooperative)					Partial payment			
Claim investigation completion date					Amount payable			
Claim investigation department receipt No.					Actual loss			
Claim investigation department					None	Fixed amount	Others	
Claim investigation completion No.					Annuity expenses			
Previous claim investigation department					Amount of re-insurance claim			
Previous claim investigation completion No.					Additional claims already paid			
Victim No.					Rate of reduction for injury			
Date of payment					Rate of reduction for death or permanent disability			
Type of accident	Death	Injury	Permanent disability		Recovery or Return			
Accident report	None	Property	Personal Social or Workers Compensation insurance		Category of nursing care fees			
Company (cooperative) paying claim incl. Voluntary Auto Insurance (mutual aid)					Hospital visit			
Prefecture, etc., where accident occurred					No. of days			
Type of accident					Home Amount			
Sex of offending driver					Hospitalization			
Age of at-fault driver					Hospitalization			
					Hospital visit / home			
					Hospital visit / home			
					Partial payment installment no.			
					No. of partial payment installments			
					Claim paid for death or permanent disability			
					Claim paid for injury			
					Category of ancillary expenses			
					Compromise / mediation / judgment			
					Re-examination			
					Defense			
					Others			
Out-of-court settlement					Compromise / mediation / judgment			
Agreed					Re-examination			
Not agreed					Compromise			
Early settlement					Mediation			
Victim No.					Judgment			

Notes: (1) For reports concerning automobile liability mutual aid, "insurance" shall be read as "mutual aid".

(2) Reports shall be compiled for every year and month of filing and submitted no more than 2 (two) months after completion of the year and month of filing.

Attached Form No. 9 (Related to Article 1)

Insurance Company (Cooperative)

Statement of Accounts of Automobile Liability Insurance (Mutual Aid) Business

1. Fiscal ____ Profit and Loss of Automobile Liability Insurance (Mutual Aid)

(unit: thousand yen)

Item	Amount
Direct pure insurance premiums (direct pure mutual aid premiums)	
Reinsurance (insurance) premiums paid	
Sales expenses (business promotion expenses)	
Claim investigation expenses	
Administrative expenses	
Commissions and money collecting expenses	
Corporate expenses income (expenditure income)	

1. Direct pure insurance (mutual aid) premiums shall be the amount of insurance (mutual aid) premiums received from policyholders.
2. Reinsurance (insurance) premiums paid shall be the amount of pure insurance (mutual aid) premiums that are direct pure insurance (mutual aid) premiums.
3. Corporate expenses income (expenditure income) shall be calculated by subtracting reinsurance (insurance) premiums paid, commissions and money collecting expenses from direct pure insurance (mutual aid) premiums.

2. Breakdown of Principal Account Balances (as of March 31st, ____) (unit: thousand yen)

Real Estate and Movable Assets	Amount
Land (except for investment purpose)	
Buildings (except for investment purpose)	
Subtotal	
Movable assets	
Construction temporary account	
Total	

Accrued employees retirement benefit	
--------------------------------------	--

3. Fiscal ____ Number of Automobile Liability Insurance (Mutual Aid) Cases Handled

Breakdown			No. of cases
Contract-related	New contract		
	Cancellation		
	Alteration, cancellation, etc.		
	Total		
Payment-related	Insurance (mutual aid) claim	Not incl. Voluntary Auto Insurance (Mutual Aid)	
		Incl. Voluntary Auto Insurance (Mutual Aid)	
	Provisional payment		
	Partial payment		
	Total		
Cases where collection of premiums was entrusted to financial institutions			

1. The number of cases used as the basis for calculating the expenditure of automobile liability insurance (mutual aid) business shall be stated.
2. "Alteration, cancellation, etc." shall include cases of additional premium for death and certificate reissue.

Note: Reports shall be submitted within 4 (four) months after the end of the business year (meaning the period from April 1st to March 31st of the following year).

Attached Form No. 10 (Related to Article 1)

Insurance Company
(Cooperative)

Fiscal Automobile Liability Insurance (Mutual Aid) Business Expenditure Report

(unit: thousand yen)

Item		Administrative Divisions	Operational Divisions	Total
Officers' salaries				
Employees' (staff) Salaries	Administrative divisions			
	Operational divisions (except administrative staff)			
	Operational divisions (administrative staff)			
Retirement pay and pensions				
Welfare expenses				
Personnel expenses subtotal				
Land and building rents				
Machine hire fees				
Transportation expenses				
Communication expenses				
Printing expenses				
Book expenses				
Consumables				
Fixture and fittings expenses				
Repairs and utilities expenses				
Membership fees				
Meeting expenses				
Advertising expenses				
Miscellaneous expenses				
Non-personnel expenses subtotal				
Expenses total				
Other business expenses	Business tax			
	Fixed asset tax			
	Increment in accrued employees retirement benefit			
	Vehicle taxes			
	Land values tax			
	Business office tax			
	Depreciation expenses			
	Consumption tax			
Subtotal				
Grand total				
Commissions and money collecting expenses				

Notes:

- (1) Sales expenses (business promotion expenses), loss adjustment expenses and general management expenses shall all be described in a different form.
- (2) General management expenses shall not be included in administrative or operational divisions.
- (3) Salaries for direct sales employees, money collecting employees, labor employees, temporary employees, part-time employees and others shall be accounted under Personnel Expenses.
- (4) Reports shall be submitted within 4 (four) months after the end of the business year (meaning the period from April 1st to March 31st of the following year).

Attached Form No. 11 (Related to Article 1)

Insurance Company (Cooperative)

Fiscal Automobile Liability Insurance (Mutual Aid) Business Reserve Funds Report

1. Status of Reserve Funds (unit: thousand yen)

Item	Amount
Mandatory Reserve Fund at term end	
Net income pure insurance (mutual aid) premiums	
Current Term Payment Reserve Fund	
Adjustment Reserve Fund at term end	
Current term transfers to (drawing down from) Adjustment Reserve Fund	
Tax-equivalent amount related to Adjustment Reserve Fund transfers (drawing down)	
Investment Yield Reserve Fund at term end	
Drawing down from investment yield to improve revenue-cost balance	
Expense Loading Reserve Fund at term end	

Net income pure insurance (mutual aid) premiums shall be the amount used as the basis for calculating Mandatory Reserve Funds.

2. Investment Yield Reserve Fund (unit: thousand yen, %)

Item	Amount
Investment capital	
Current term profit from investments	
Interest rate applied	
Anticipated interest from long-term contracts	
Investment expenses	
Tax	
Tax rate	
Current term investment profit contributions (without tax)	
Tax amount recovered	
Current term investment profit contributions (with tax)	
Drawing down to improve revenue-cost balance	
Tax amount recovered	

3. Expense Loading Reserve Fund (unit: thousand yen)

Item	Amount
Current term balance of corporate expenses (expenditure)	
Tax	
Investment capital for interest calculation	
Interest accruing	
Tax	
Current term drawing down	
Current term transfers	

Note:

Reports shall be submitted within 4 (four) months after the end of the business year (meaning the period from April 1st to March 31st of the following year).

Insurance Company (Cooperative)

Fiscal _____ Automobile Liability Compensation Business Expenditure Report

(unit: thousand yen)

Item		Loss Adjustment Expenses		General Management Expenses		Total	
Officers' salaries							
Employees' (staff) salaries	Administrative divisions						
	Operational divisions (except administrative staff)						
	Operational divisions (administrative staff)						
Retirement pay and pensions							
Welfare expenses							
Personnel expenses subtotal							
Land and building rents							
Machine hire fees							
Transportation expenses							
Communication expenses							
Printing expenses							
Book expenses							
Consumables							
Fixtures and fittings expenses							
Repairs and utilities expenses							
Membership fees							
Meeting expenses							
Advertising expenses							
Miscellaneous expenses							
Non-personnel expenses subtotal							
Expenses total							

No. of compensation business cases received	From April to the following March	
	From February to the following January	

Notes:

- (1) Salaries for direct sales employees, money collecting employees, labor employees, temporary employees, part-time employees and others shall be accounted under Personnel Expenses.
- (2) Reports shall be submitted within 4 (four) months after the end of the business year (meaning the period from April 1st to March 31st of the following year).

SPECIFICATION OF NON-LIFE INSURANCE RATING ORGANIZATION
DESIGNATED BY THE MINISTER OF FINANCE AS AN
ORGANIZATION THAT CALCULATES LIABILITY INSURANCE
PREMIUM RATES BASED ON THE PROVISIONS OF PARAGRAPH 1,
ARTICLE 29-2 OF THE AUTOMOBILE LIABILITY SECURITY ACT

(Notification of the Ministry of Finance No. 337, November 29, 1996)

History of Amendment

Notification of the Financial Services Agency

No. 63, December 19, 2000

The following non-life insurance rating organization designated by the Commissioner of the Financial Services Agency shall be specified as a body that calculates liability insurance premium rates based on the provisions of paragraph 1, Article 29-2 and paragraph 1, Article 84 of the Automobile Liability Security Act (Act No. 97 of 1955), with effect from December 1, 1996.

Automobile Insurance Rating Organization of Japan (AIRO)

AUTOMOBILE LIABILITY INSURANCE COUNCIL ORDER

(Cabinet Order No. 264, June 7, 2000)

(Organization)

Article 1. The Automobile Liability Insurance Council (hereinafter “the Council”) shall consist of 13 (thirteen) Members.

2. The Council may appoint Special Members whenever necessary in order to investigate and deliberate special matters.

(Appointment of members, etc.)

Article 2. Members shall be appointed from the persons set forth below.

- (1) Persons with academic knowledge and experience: 7 (seven) persons
 - (2) Persons with profound knowledge and experience of automobile transport or accidents: 3 (three) persons
 - (3) Persons with profound knowledge and experience of insurance business: 3 (three) persons
2. Special Members shall be appointed by the Commissioner of the Financial Services Agency from among persons with academic knowledge and experience.

(Term of office, etc., of members)

Article 3. The term of office of Members shall be 2 (two) years, provided however that the term of office of replacement Members shall be the remaining term of their predecessors.

2. Members may be re-appointed.
3. Special Members shall be dismissed when the investigation on special matters related to their appointment is complete.
4. Members and Special Members shall be appointed on a part-time basis.

(Chairman)

Article 4. A Chairman shall be appointed to the Council, and shall be co-opted from among the Members.

2. The Chairman shall preside over the affairs of the Council and shall represent the Council.
3. In the absence or disability of Chairman, a Member nominated in advance shall execute the Chairman’s duties on behalf of the Chairman.

(Matters for deliberation)

Article 5. The Council may not hold meetings or adopt resolutions without the presence of a majority of the Members.

2. Matters for deliberation by the Council shall be decided by a majority of the Members in attendance at a meeting, and should there be no majority, the decision shall be made by the casting vote of the Chairman.

(Requests for submission of materials, etc.)

Article 6. The Council may, when deeming it necessary in order to execute the affairs under its jurisdiction, request the submission of materials, statement of opinions, explanations,

or other necessary cooperation from the head of a relevant administrative organ.

(General affairs)

Article 7. The general affairs of the Council shall be processed by the Insurance Business Division of the Supervisory Bureau, Financial Services Agency.

(Miscellaneous provisions)

Article 8. Besides those provided in this Cabinet Order, procedures for deliberation and other necessary matters concerning the management of the Council shall be prescribed by the Chairman after consulting the Council.

ACT ON SPECIAL ACCOUNTS [Excerpt]

(Act No. 23 of March 31, 2007)

Latest Amendment: Act No. 37 of 2010

CHAPTER I. GENERAL PROVISIONS

Section 1. General Rules

(Purpose)

Article 1. The purpose of this Act shall be to establish Special Accounts to be accounted separately from the General Account, and to determine their purpose as well as rules for their management and accounting.

(Establishment)

Article 2. The Special Accounts listed below shall be established.

(17) Automobile Safety Special Account

2. The purpose and rules for management and accounting of the Special Accounts listed in each item of the preceding paragraph shall be as provided in the following Chapter.

Section 2. Budgets

(Preparation and sending of estimated revenue and expenditure calculations, etc)

Article 3. Each fiscal year, the competent Minister (meaning the head of each Ministry or Agency (meaning the head of a Ministry or Agency as stipulated in paragraph 2, Article 20 of the Public Finance Act (Act No. 34 of 1947) that manages a Special Account); the same shall apply hereinafter) must prepare estimated revenue and expenditure calculations, request for carryover of expenditures and request for extra expenditure from national treasury (hereinafter “estimated revenue and expenditure calculations, etc.”) for the Special Account managed by the same, and must refer these to the Minister of Finance.

2. The documents specified below must be attached to the estimated revenue and expenditure calculations, etc.

(1) For extra expenditure from national treasury that continue into the following fiscal year, the amount of disbursements up to the end of the last fiscal year and the estimated amount of future disbursements, the scheduled amount of disbursements from the current fiscal year onwards, and, for disbursements associated with extra expenditure from national treasury that continues across a number of fiscal years, the plans and progress status of said projects, and other records concerning the execution of said extra expenditure from national treasury.

(2) An itemized statement of reserves at the end of the second last fiscal year.

(3) Performance charts related to capital increases or decreases in the second last fiscal year.

(4) Projection charts related to capital increases or decreases in the last fiscal year and the current fiscal year.

- (5) Projection charts for borrowings and repayments scheduled for the current fiscal year.
- (6) In addition to the documents listed in each of the preceding items, documents that must be attached to estimated revenue and expenditure calculations, etc., as stipulated in the following Chapter.

(Revenue and expenditure budget divisions)

Article 4. The revenue and expenditure budget for each Special Account (or, for Special Accounts divided into smaller Accounts, each Account; the same shall also apply hereafter in this Chapter, excluding paragraph 1 of the following Article, paragraph 1, Article 9, and paragraphs 1 and 3, Article 10 shall be divided by titles and items according to the nature of revenues, and by items according to the purpose of expenditures, respectively.

(Budget preparation and submission)

Article 5. In each fiscal year, the Cabinet must prepare a budget for each Special Account and submit it to the Diet together with the General Account budget.

2. Estimated revenue and expenditure calculations, etc., and the documents listed in each item of paragraph 2, Article 3 must be attached to the budget for each Special Account.

(Transfers from the General Account)

Article 6. Of the expenditure pertaining to administrative work and projects accounted under each Special Account, expenditure to be covered by transfers from the General Account (hereinafter “expenditure covered by General Account transfers”) may, in the cases provided in the following Chapter, be transferred from the General Account to the Special Account in question, as provided in the Budget, but only when necessary to provide funds for expenditure covered by General Account transfers.

(Elasticity clause)

Article 7. In each Special Account, should it become necessary to increase expenditure due to reasons provided in the Budget, in light of the purpose of said Special Account, and when an increase in income to cover said expenditure can be secured for reasons provided in the Budget, said expenditure may be increased up to the amount of said increase in income.

2. The provisions of paragraphs 2 to 4, Article 35 and Article 36 of the Public Finance Act shall apply mutatis mutandis to any increase in expenditure under the provisions of the preceding paragraph. In this case, “the head of each Ministry or Agency deems it necessary to use expenditure reserves” in paragraph 2, Article 35 of said Act shall be read as “the competent minister (meaning the head of each Ministry or Agency that manages a Special Account); the same shall apply in paragraph 1 of the following Article) deems it necessary to increase expenditure pursuant to paragraph 1, Article 7 of the Act on Special Accounts (Act No. 23 of 2007)”, “record of the use of expenditure reserves” in paragraph 3 of said Article as “record of increased expenditure”, “record of the use of expenditure reserves” in paragraph 4 of said Article as “record of increased expenditure”, “said record of use” in said paragraph as “said record of increase”, “amount paid using expenditure reserves” in paragraph 1, Article 36 of said Act as “increased expenditure pursuant to

paragraph 1, Article 7 of the Act on Special Accounts”, “the head of each Ministry or Agency” in said paragraph as “the competent minister”, “amount paid using expenditure reserves” in paragraph 2 of said Article as “increased expenditure pursuant to paragraph 1, Article 7 of the Act on Special Accounts”, “paid using expenditure reserves” in paragraph 3 of said Article as “in the preceding paragraph”, and “each Ministry and Agency” in said paragraph as “each Special Account”.

Section 3. Settled Accounts

(Processing of surplus)

Article 8. In each Special Account, should any surplus arise from the settled revenues and expenditures for each fiscal year, they shall be transferred to revenues of said Special Account for the next fiscal year, when there is still a remainder after subtracting the amount accumulated as reserves of said Special Account and the amount incorporated into capital, as provided in the following Chapter, from said surplus.

2. Irrespective of the provisions of the preceding paragraph, an amount equivalent to all or part of the amount to be transferred to revenues for the next fiscal year in said paragraph may be transferred to revenues of the General Account, as provided in the Budget.

(Preparation and sending of final revenue and expenditure calculations)

Article 9. In each fiscal year, the competent minister must prepare final revenue and expenditure calculations for the Special Account managed by the same, under the same categories as used for the estimated revenue and expenditure calculations, and shall refer the same to the Minister of Finance.

2. The documents listed below must be attached to final revenue and expenditure calculations.
 - (1) Calculations pertaining to debts
 - (2) An itemized statement of reserves at the end of the current fiscal year
 - (3) Performance charts related to capital increases or decreases in the current fiscal year.
 - (4) In addition to the documents listed in the preceding three items, documents that must be attached to final revenue and expenditure calculations in accordance with the following Chapter.

(Preparation and submission of settled revenues and expenditures)

Article 10. In each fiscal year, the Cabinet must prepare settled revenues and expenditures for each Special Account based on the final revenue and expenditure calculations, and submit the same to the Diet together with the settled revenues and expenditures for the General Account.

2. Final revenue and expenditure calculations and the documents listed in each item of paragraph 2 of the preceding Article must be attached to the settled revenues and expenditures for each Special Account.
3. When applying the provisions of paragraph 2, Article 38 of the Public Finance Act to the settled revenues and expenditures for each Special Account, “(2) The amount carried over in the last fiscal year” in said paragraph shall be read as “(2) The amount carried over in

the last fiscal year, (2-2) The amount of increase in expenditure pursuant to paragraph 1, Article 7 of the Act on Special Accounts (Act No. 23 of 2007)”.

Section 4. Deposit of Surplus Funds, etc.

(Deposit of surplus funds)

Article 11. In each Special Account, any cash surplus arising in connection with payments may be deposited in the Fiscal Loan Fund.

(Deposits of reserves and capital)

Article 12. Reserves and capital in each Special Account may be deposited in the Fiscal Loan Fund for investment.

Section 5. Borrowings, etc.

(Borrowings)

Article 13. When expenditure to be made subject to borrowings in each Special Account (hereinafter “expenditure funded by borrowings”) is provided in the following Chapter, borrowings may be made and charged to said Special Account, within the limits necessary in order to pay expenditure funded by borrowings.

2. The upper limit of borrowings that may be made in each Special Account must be decided by a resolution of the Diet based on the Budget.

(Carrying over of borrowing limits)

Article 14. In each Special Account, of an amount decided by a resolution of the Diet concerning the limit of borrowings, when there is an amount that was not borrowed in the current fiscal year, borrowings may be made in the following fiscal year, pursuant to paragraph 1 of the preceding Article, up to the limit of that amount and within the scope of the amount needed as funds for amounts to be carried over in the Budget (limited to those pertaining to expenditure funded by borrowings).

(Temporary borrowings, etc)

Article 15. Temporary borrowings may be charged to each Special Account, financing securities may be issued, or treasury surpluses may be diverted and used whenever there is a cash deficiency in connection with payments in said Special Account, provided, however, that financing securities may only be issued when there is a provision in the following Chapter to the effect that such issue can be made.

2. The upper limit of temporary borrowings, financing securities and diverted moneys under the provisions of the preceding paragraph must be decided by a resolution of the Diet based on the Budget.
3. When temporary borrowings are made or financing securities are issued under the provisions of paragraph 1, treasury surpluses may be diverted and used, and temporary borrowings or financing securities that have not reached their payment deadlines may be repaid.
4. Temporary borrowings, financing securities and diverted moneys under the provisions of

paragraph 1, as well as diverted moneys under the provisions of the preceding paragraph, must be returned or repaid using revenues from the current fiscal year.

5. When there is a cash deficiency in connection with payments in each Special Account under the provisions of paragraph 1, cash belonging to the reserves or capital of said Special Account or other cash may only be diverted and used when there is a provision in the following Chapter to the effect that said cash may be diverted and used. In this case, the competent minister must obtain the approval of the Minister of Finance in advance.
6. Moneys diverted under the provisions of the preceding paragraph must be returned before the conclusion of receipt and disbursement for the current fiscal year.

(Administrative work for borrowings, etc)

Article 16. Administrative work related to borrowings, repayments and temporary borrowings charged to each Special Account, as well as the issue and repayment of financing securities, shall be performed by the Minister of Finance.

(Transfers to the National Debt Consolidation Fund Special Account)

Article 17. Amounts needed for repayments and interest on borrowings charged to each Special Account, as well as interest on temporary borrowings and financing securities and payments of miscellaneous expenses related to the issue and repayment of financing securities, must be transferred from said Special Account to the National Debt Consolidation Fund Special Account each fiscal year.

Section 6. Carrying Over

Article 18. In each Special Account, outstanding payments in the expenditure budget in each fiscal year or the budget pertaining to expenditures that are due for payment but have not been paid upon the closure of receipt and disbursement for the current fiscal year may be carried over to the next fiscal year, limited to cases in which there is a provision in the following Chapter to the effect that they may be carried over and used in the following fiscal year and beyond.

2. When expenditures have been carried over as in the preceding paragraph, the competent minister must notify the Minister of Finance and the Board of Audit to that effect.
3. When expenditures have been carried over by the competent minister as in the preceding paragraph, the expenditure carried over shall be regarded as having been subject to budget allocation pursuant to paragraph 1, Article 31 of the Public Finance Act. In this case, notification pursuant to paragraph 3 of said Article shall not be necessary.

Section 7. Disclosure of Financial Information

(Documents used as reference for corporate accounting practices)

Article 19. In each fiscal year, the competent minister must prepare documents to disclose the status of assets and liabilities, as well as other financial information concerning settlement for the Special Account managed by the same, referring to practices of corporate accounting, and must send the same to the Minister of Finance.

2. The Cabinet must submit the documents listed in the preceding paragraph to the Diet, following inspection by the Board of Audit.
3. The method of preparing the documents listed in paragraph 1 and other necessary matters concerning said documents shall be specified by Cabinet Order.

(Disclosure of financial information)

Article 20. The competent minister must, for the Special Account managed by the same, disclose information described in the documents listed in paragraph 1 of the preceding Article, and other information provided by Cabinet Order as information that appropriately indicates the financial status of the Special Account, using the Internet or another appropriate method.

CHAPTER II. THE PURPOSE AND RULES FOR MANAGEMENT AND ACCOUNTING OF EACH SPECIAL ACCOUNT

Section 17. Automobile Safety Special Account

(Purpose)

Article 210. The purpose of the Automobile Safety Special Account shall be to clarify government accounting with regard to the Automobile Liability Compensation Business as well as automobile inspection, registration and other administrative work.

2. “Automobile Liability Compensation Business” in this Section means Automobile Liability Compensation Business pursuant to the Automobile Liability Security Act (Act No. 97 of 1955; hereinafter in this Section “ALS Act”).
3. Automobile inspection, registration and other administrative work” in this Section means the inspection and registration of automobiles, as well as the designation of designated automobile maintenance business pursuant to the Road Transport Vehicle Act (Act No. 185 of 1951), and the administrative work of confirming tax payments and approving tax amounts for motor vehicle tonnage tax pursuant to the Motor Vehicle Tonnage Tax Act (Act No. 89 of 1971).

(Management)

Article 211. The Automobile Safety Special Account shall be managed by the Minister of Land, Infrastructure, Transport and Tourism, as provided in laws and regulations.

(Account divisions)

Article 212. The Automobile Safety Special Account shall be divided into the Security Account and the Automobile Inspection and Registration Account.

(Revenues and expenditures)

Article 213. Revenues and expenditures in the Security Account shall be as follows.

(1) Revenues

- (a) Those corresponding to Automobile Liability Compensation Business Contribution pursuant to Article 78 of the ALS Act and Automobile Liability Compensation Business Contribution pursuant to paragraph 1, Article 82 of the

- ALS Act
 - (b) Transfers from the General Account
 - (c) Income from the exercise of rights based on the provisions of Article 76 of the ALS Act
 - (d) Negligence fines pursuant to Article 79 of the ALS Act
 - (e) Subsidiary miscellaneous income
 - (2) Expenditures
 - (a) Payments pursuant to paragraphs 1 and 2, Article 72 of the ALS Act
 - (b) Transfers to the Automobile Inspection and Registration Account
 - (c) Interest on temporary borrowings
 - (d) Miscellaneous expenses
2. Revenues and expenditures in the Automobile Inspection and Registration Account shall be as follows.
- (1) Revenues
 - (a) Income from the sale of automobile inspection and registration revenue stamps
 - (b) Commissions under the proviso to paragraph 3, Article 102 of the Road Transport Vehicle Act
 - (c) Transfers from the General Account
 - (d) Payments received pursuant to paragraph 3, Article 16 of the National Traffic Safety and Environment Laboratory Act (Act No. 207 of 1999) and paragraph 3, Article 16 of the National Agency of Vehicle Inspection Act (Act No. 218 of 1999)
 - (e) Transfers from the Security Account
 - (f) Borrowings
 - (g) Subsidiary miscellaneous income
 - (2) Expenditures
 - (a) Business handling expenditure pertaining to Automobile Liability Compensation Business and automobile inspection, registration and other administrative work
 - (b) Facility expenditure pertaining to automobile inspection, registration and other administrative work
 - (c) Capitalization, grants and subsidies for facility maintenance of the National Traffic Safety and Environment Laboratory and the National Agency of Vehicle Inspection
 - (d) Transfers to the General Account
 - (e) Repayments and interest on borrowings
 - (f) Interest on temporary borrowings
 - (g) Subsidiary miscellaneous expenses

(Documents attached to estimated revenue and expenditure calculations, etc)

Article 214. In addition to the documents listed in items (1) to (5), paragraph 2, Article 3, in the Security Account, the balance sheet and profit and loss statement from the second last

fiscal year as well as the estimated balance sheet and estimated profit and loss statement for the last fiscal year and the current fiscal year must be attached to estimated revenue and expenditure calculations, etc.

(Expenditure covered by General Account transfers)

Article 215. Expenditure covered by General Account transfers in the Security Account shall be expenditure needed to execute work in Automobile Liability Compensation Business pursuant to paragraph 2, Article 82 of the ALS Act.

2. Expenditure covered by General Account transfers in the Automobile Inspection and Registration Account shall be expenditure needed for the administrative work of confirming payments of motor vehicle tonnage tax and approving tax amounts.

(Transfers from the Security Account to the Automobile Inspection and Registration Account)

Article 216. To provide funds for business handling expenditure pertaining to Automobile Liability Compensation Business, an amount equivalent to said business handling expenditure shall be transferred from the Security Account to the Automobile Inspection and Registration Account in each fiscal year, as provided in the Budget.

(Transfers to the General Account)

Article 217. To provide funds for administrative handling expenditure needed for automobile inspection, registration and other administrative work undertaken in Okinawa Prefecture by the Government, an amount equivalent to said administrative handling expenditure shall be transferred from the Automobile Inspection and Registration Account to the General Account in each fiscal year, as provided in the Budget.

(Processing of profits and losses)

Article 218. In the Security Account, profits or losses arising from profit and loss calculations in each fiscal year shall be carried over and organized in the following fiscal year.

(Documents attached to final revenue and expenditure calculations)

Article 219. In addition to the documents listed in items (1) to (3), paragraph 2, Article 9, the balance sheet and profit and loss statement for the current fiscal year must be attached to final revenue and expenditure calculations in the Security Account.

(Expenditure funded by borrowings)

Article 220. Expenditure funded by borrowings in the Automobile Inspection and Registration Account shall be, of automobile inspection, registration and other administrative work, expenditure needed for the maintenance of automobile registration files and electronic information processing system managed by the Minister of Land, Infrastructure, Transport and Tourism pursuant to paragraph 2, Article 6 of the Road Transport Vehicle Act.

(Transfer and use of cash belonging to the Security Account)

Article 221. In the Automobile Inspection and Registration Account, cash belonging to the Security Account may be diverted and used.

ORDER FOR ENFORCEMENT OF THE ACT ON SPECIAL ACCOUNTS [Excerpt]

(Cabinet Order No. 124 of March 31, 2007)

Latest Amendment: Cabinet Order No. 206 of 2010

CHAPTER I. GENERAL PROVISIONS

Section 3. Budgets and Settlement of Account

(Content and deadline for referral of estimated revenue and expenditure calculations, etc)

Article 8. In the estimated revenue and expenditure calculations for each Special Account (or, for Special Accounts divided into smaller Accounts, each Account; the same shall also apply hereinafter, excluding paragraph 5 below and paragraph 1 of the following Article, as well as Article 10, Article 32, paragraph 2, Article 34, and item (1), paragraph 1 and paragraph 2 of Article 36), in the case of revenues, amounts must be divided into titles and items according to the nature of said revenues, the amounts in each item must be further divided into different sub-items and the reason for estimates and the basis for calculations must be shown, while in the case of expenditures, amounts must be divided into different matters and an explanation of expenditure requests, the item amounts for said matters, and other details must be shown.

2. Request for carryover of expenditure for each Special Account must make clear, for each matter included in carryover of expenditure, the reason why said matter is necessary, and must show the names of expenditure items that need to be carried over.
3. Requests for extra expenditure from national treasury in each Special Account must make clear, for each matter included in the national treasury subsidized project (or for each works project, in the case of multipurpose dam construction works and others belonging to the Flood Control Account of the Social Infrastructure Development Projects Special Account (meaning multipurpose dam construction works and others as stipulated in paragraph 1, Article 209 of the Act; the same shall apply hereinafter) or designated port and harbor facility works and others belonging to the Ports and Harbors Account of said Special Account (meaning designated port and harbor facility works and others listed in paragraph of said Article; the same shall apply hereinafter)) the reason why said matter is necessary, as well as the fiscal year when the matter will be undertaken and the upper limit of subsidization, and must also indicate the fiscal year when disbursement should be made based on this, the prospective period or the annual allocated amount, if necessary.
4. Explanations of all estimated revenues and expenditures for each Special Account must be added to the estimated revenue and expenditure calculations for said Special Account.
5. Estimated revenue and expenditure calculations, request for carryover of expenditure and requests for extra expenditure from national treasury for each Special Account must be referred to the Minister of Finance, following the example in the provisions of paragraph 5, Article 11 of the Order for Budget Settlement and Public Accounts (Imperial Ordinance

No. 165 of 1947; hereinafter “the Ordinance”).

6. In addition to the documents listed in each item of paragraph 2, Article 3 of the Act, records concerning matters that need to be stipulated in the General budget provisions must be attached to the documents stipulated in the preceding paragraph.

(Itemized statements of estimated revenue and expenditure amounts)

Article 9. The competent minister (meaning the competent minister as stipulated in paragraph 1, Article 3 of the Act; the same shall apply hereinafter) must prepare itemized statements of estimated revenue and expenditure amounts for the Special Account managed by the same, as provided by the Minister of Finance, based on the revenue and expenditure budget, and must refer the same to the Minister of Finance immediately after the submission of the Budget to the Diet.

2. In the itemized statements of estimated revenue and expenditure amounts stipulated in the preceding paragraph, the amount of each item must be divided into sub-items, and, if necessary, the amounts in each sub-item must also be subdivided and the basis for these calculations must be shown.
3. Divisions into sub-items and subdivisions of each sub-item under the provisions of the preceding paragraph shall be provided by the competent minister who manages administrative work concerning said revenue or expenditure, following discussion with the Minister of Finance.

(Deadline for referral of final revenue and expenditure calculations)

Article 10. The final calculations of revenues and expenditures for each Special Account must be referred to the Minister of Finance by July 31 of the following fiscal year.

(Forms of balance sheets, etc)

Article 11. The forms used for the balance sheet, profit and loss statements and asset inventories for each Special Account shall be provided by the competent minister following discussion with the Minister of Finance.

Section 4. Expenditure

(Balance of direct payments)

Article 13. In each Special Account (except the National Debt Consolidation Fund Special Account), the amount of paid-in revenues for the current fiscal year, as well as temporary borrowings, income and diverted moneys arising from the issue of financing securities pursuant to paragraph 1, Article 15 of the Act, diverted moneys pursuant to paragraph 3 of said Article and diverted moneys pursuant to paragraph 5 of said Article shall be taken as the balance of direct payments, and this balance of direct payments may not be exceeded in order to disburse expenses.

Section 7. Books

(Books of each Ministry and Agency)

Article 26. Each Ministry and Agency (meaning ministries and agencies as stipulated in

Article 21 of the Public Finance Act (Act No. 34 of 1947); the same shall apply in paragraph 1 of the following Article) must furnish a journal, registry and subsidiary registry for the Special Account managed by the same, and must register all calculations related to said Special Account therein.

Article 27. In addition to the books stipulated in paragraph 1 of the preceding Article and Article 130 of the Order, each Ministry and Agency must also furnish a balance of direct payments registry for the Special Account managed by the same (except the Local Allocation and Local Transfer Tax Special Account, the National Debt Consolidation Fund Special Account and the Energy Conservation Special Account), and must register the balance of direct payments, the amount of disbursed expenditure and the remaining balance of undisbursed payments therein, provided however that, when government disbursing officers (meaning government disbursing officers stipulated in item (2) , Article 1 of the Order; the same shall apply hereinafter) consist of only one person, the balance of direct payments registry need not be furnished.

(Books of government disbursing officers)

Article 30. In addition to the books stipulated in Article 132 and Article 134 of the Order, government disbursing officers for each Special Account (except the National Debt Consolidation Fund Special Account) must also furnish a balance of direct payments registry, and must register the balance of direct payments, the amount of disbursed expenditure and the remaining balance of undisbursed payments therein.

(Forms of books and method of entry)

Article 31. The forms to be used for the books stipulated in Article 26, Article 27, paragraph 1, Article 28, paragraphs 2 and 4, Article 29 as well as the preceding Article, and the method of entry therein, shall be provided by the Minister of Finance.

Section 8 Disclosure of Financial Information

(Method of preparing documents, etc)

Article 34. The documents for each Special Account listed in paragraph 1, Article 19 of the Act shall be documents that describe the status of assets and liabilities in said Special Account at the end of the current fiscal year, as well as the status of expenses arising in the current fiscal year and other matters specified by the Minister of Finance.

2. In addition to the documents described in the preceding paragraph, for Special Accounts divided into smaller Accounts, documents that record matters stipulated in said paragraph shall also be prepared for the whole of said Special Account.
3. In addition to the documents described in paragraph 1 above, in the case of corporations listed below that fall under conditions provided by the Minister of Finance as corporations having a close relationship with the administrative work and projects accounted for in Special Accounts, documents that describe matters stipulated in said paragraph shall also be prepared collectively for said Special Account and said corporation.

(1) Corporations directly established in accordance with acts

- (2) Corporations that are to be established through special acts of establishment in accordance with special acts
- (3) Corporations that are established in accordance with special acts and require the approval of an administrative agency for their establishment
- 4. Documents listed in paragraph 1 and the preceding paragraph concerning the Local Allocation and Local Transfer Tax Special Account shall be prepared by the Minister for Internal Affairs and Communications, and documents listed in the preceding three paragraphs concerning the Energy Conservation Special Account by the Minister of Economy, Trade and Industry, respectively. In this case, the preparation of documents listed in the preceding three paragraphs concerning the Energy Conservation Special Account shall be prepared by the head of a general administrative department on behalf of the Minister of Economy, Trade and Industry.

(Deadline for referral of documents, etc)

Article 35. The documents listed in paragraph 1, Article 19 of the Act must be referred to the Minister of Finance by October 31 of the following fiscal year.

- 2. The Cabinet must refer the documents listed in the preceding paragraph to the Board of Audit by November 15 of the fiscal year stipulated in said paragraph.
- 3. The Cabinet shall regularly submit the documents listed in the preceding paragraph, following inspection by the Board of Audit, to the Diet during the ordinary session starting in the fiscal year stipulated in paragraph 1.

(Content of information disclosure)

Article 36. Information to be specified by Cabinet Order as stipulated in Article 20 of the Act shall be as listed below.

- (1) Information concerning Special Accounts as listed below
 - (a) The purpose of the Special Account
 - (b) The content of administrative work and projects accounted for in the Special Account and an outline of the accounting method
- (2) Information listed below concerning the budget for the Special Account in each fiscal year
 - (a) An outline of the revenue and expenditure budget
 - (b) The amount of transfers from the General Account and the reason for said transfers
 - (c) The amount of borrowings as well as income from the issue of public bonds and securities (hereinafter in this paragraph referred to collectively as “borrowings, etc.”) as well as the reason why borrowings, etc., are necessary
 - (d) Other matters deemed necessary in light of the content of administrative work and projects accounted for in the Special Account
- (3) Information listed below concerning settlement of account for the Special Account in each fiscal year
 - (a) An outline of settled revenues and expenditures
 - (b) The amount of transfers from the General Account and, if said amount differs

from the amount included in the Budget, the reason

- (c) The amount of borrowings, etc., and, if said amount differs from the amount included in the Budget, the reason
 - (d) The amount of surplus in settled revenue and expenditure, the reason for said surplus and the method of processing said surplus
 - (e) The balance of reserves and capital at the end of the current fiscal year
 - (f) Other matters deemed necessary in light of the content of administrative work and projects accounted for in the Special Account
2. In the cases listed in the preceding paragraph, for Special Accounts divided into smaller Accounts, information provided in item (1) of said paragraph shall also be prepared for the whole of said Special Account.
 3. Information listed in paragraph 1 concerning the Local Allocation and Local Transfer Tax Special Account shall be prepared by the Minister for Internal Affairs and Communications, and information listed in the preceding two paragraphs concerning the Energy Conservation Special Account by the Minister of Economy, Trade and Industry, respectively. In this case, the preparation of information listed in the preceding two paragraphs concerning the Energy Conservation Special Account shall be prepared by the head of a general administrative department on behalf of the Minister of Economy, Trade and Industry.

(Timing of information disclosure)

Article 37. Information listed in Article 20 of the Act shall be disclosed promptly from the date provided in each of the following items, in accordance with the categories listed in each of said items.

- (1) Information described in documents as listed in paragraph 1, Article 19 of the Act: The date on which said documents were submitted to the Diet
 - (2) Information listed in item (1), paragraph 1 of the preceding Article: The date on which the Special Account was established
 - (3) Information listed in item (2), paragraph 1 of the preceding Article: The date on which the Budget was submitted to the Diet
 - (4) Information listed in item (3), paragraph 1 of the preceding Article: The date on which the settlement of account was submitted to the Diet
2. If there is any change in the information listed in item (1) or item (2), paragraph 1 of the preceding Article after the disclosure of said information under the provisions of the preceding paragraph, the content thereof shall be amended promptly.

(Details of information disclosure)

Article 38. In addition to what is stipulated in Article 34 through the preceding Article, necessary matters concerning the preparation of documents pursuant to paragraph 1, Article 19 of the Act and the disclosure of information pursuant to Article 20 of the Act shall be provided by the Minister of Finance.

Automobile Liability Security Act

2016年9月 第四版第三刷発行

訳者・発行者 損害保険料率算出機構（損保料率機構）

〒163-1029

東京都新宿区西新宿 3-7-1

新宿パークタワー29F

TEL 03（6758）1300（代表）

URL <http://www.giroj.or.jp>

Printed in Japan September 2016