

Automobile Insurance in Japan



General Insurance Rating Organization of Japan (GIROJ)

October 2024

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GLOSSARY

Organizations

AIRO	Automobile Insurance Rating Organization of Japan
CALI	Compulsory Automobile Liability Insurance operated by general (non-life) insurance companies established under the Insurance Business Act
CALMA	Compulsory Automobile Liability Mutual Aid operated by a cooperative, or a federation of cooperatives, established under the Agricultural Cooperative Society Act, the Consumers' Livelihood Cooperative Society Act or the Act on Cooperatives of Small and Medium Enterprises
FSA	Financial Services Agency of Japan
GIROJ	General Insurance Rating Organization of Japan
Member insurers	Member insurance companies of GIROJ
JCSTAD	Japan Center for Settlement of Traffic Accident Disputes
Kokyoren	National Mutual Insurance Federation of Truck Transport Co-operatives (a federation of cooperatives established under the Act on Cooperatives of Small and Medium Enterprises)
PCIRO	Property and Casualty Insurance Rating Organization of Japan
Zenjikyō	National Federation of Motor Insurance Cooperatives (a federation of cooperatives established under the Act on Cooperatives of Small and Medium Enterprises)
JA Kyosai (Zenkyoren)	National Mutual Insurance Federation of Agricultural Cooperatives (a federation of cooperatives established under the Agricultural Cooperative Society Act)
Zenrosai	National Federation of Workers and Consumers Insurance Cooperatives (a federation of cooperatives established under the Consumers' Livelihood Cooperative Society Act)

Acts and Ordinance

The Act	Automobile Liability Security Act, Act No. 97, July 29, 1955
The Rating Organizations Act	Act Concerning Non-Life Insurance Rating Organizations, Act No. 193, July 29, 1948
The Enforcement Ordinance	Enforcement Ordinance of the Automobile Liability Security Act, Cabinet Ordinance No. 286, October 18, 1955
Art(s)/Par(s). of the Act (the Enforcement Ordinance)	Article(s)/Paragraph(s) of the Automobile Liability Security Act (the Enforcement Ordinance of the Automobile Liability Security Act)

Abbreviations

e.g.	exempli gratia, for example
i.e.	id est, that is

Introduction

Automobile insurance in Japan operates under two different systems and policies: compulsory automobile liability insurance (CALI) and voluntary automobile insurance. CALI was established by and operates under the Automobile Liability Security Act which became effective in 1955. CALI only covers bodily injury liability, and the act specifies the limits of insurers' liability for death, different grades of permanent disability, and bodily injury. Voluntary automobile insurance includes third-party liability coverage (i.e., bodily injury liability and property damage liability), self-incurred personal accident coverage, protection against uninsured automobiles, passengers' personal accident coverage, bodily injury indemnity coverage, and coverage for damage to the insured's own vehicle (hereinafter referred to as "physical damage coverage"). With respect to liability for bodily injury, voluntary automobile insurance acts as excess cover in addition to CALI.

The premium rates for the two kinds of automobile insurance described above are worked out by the General Insurance Rating Organization of Japan (GIROJ) primarily on the basis of data gathered by the insurers that are members of GIROJ. GIROJ is a nonprofit organization established under the Rating Organizations Act. It was created by the merger of its predecessors, the Property and Casualty Insurance Rating Organization of Japan (PCIRO) and the Automobile Insurance Rating Organization of Japan (AIRO), and began operations on July 1, 2002.

GIROJ calculates Reference Loss Cost Rates (advisory pure premium rates) for fire insurance, personal accident insurance, voluntary automobile insurance, and nursing care payments insurance, as well as Standard Full Rates (advisory premium rates) for CALI and for earthquake insurance. GIROJ files these rates with the Commissioner of the Financial Services Agency of Japan (FSA), who examines the rates on the basis of "three principles of premium rates," which are "reasonable," "adequate" and "not unfairly discriminatory." Following the FSA's examination, member insurers can use the rates, but they are not obligated to do so.

In the general insurance sector, automobile insurance (i.e., CALI and voluntary automobile insurance) is now the largest line item.

Part 1. Compulsory Automobile Liability Insurance (CALI)

Chapter 1. Automobile Liability Security Act

1. Origin of the system

A rapid increase in Japan's automobile traffic was seen several years after the end of World War II. In 1948, the number of registered automobiles in Japan was 250,450, slightly more than the highest figure recorded during pre-war days. By 1967, this figure exceeded ten million.

In line with such rapid progress in motorization, the number of accidents increased drastically, resulting in a serious social problem. The number of people killed or injured in traffic accidents rose from 21,457 in 1948 to 78,764 in 1954, more than tripling in six years. The number of casualties continued to climb, and the number of deaths in 1970 is still the worst on record.

Since the Traffic Safety Measures Basic Act was enacted in 1970, various traffic safety measures have been taken by public and private sectors under the Traffic Safety Basic Plan, which is revised every five years. After 1992 saw the second worst rate on record, the number of traffic accident deaths continues to decline.

Before the enactment of the Automobile Liability Security Act, tort liability regarding traffic accidents was mainly governed by Art. 709 and other provisions of the Civil Code. Under these provisions, a traffic accident victim was able to claim for damages only when he/she could prove a willful act or negligence on the part of the party at fault. Normally, however, it is difficult, if not impossible, to prove this. Furthermore, a lack of financial resources on the part of the party at fault often made it difficult for the victim to obtain compensation.

To ensure financial relief for such victims, the Automobile Liability Security Act was enacted in 1955. The act, which came into effect in February 1956, imposed on every automobile user a strict liability with respect to traffic accidents resulting in death or bodily injury to another person. The act also obligated every automobile user to conclude CALI in order to secure funds for compensation.

At the inception of the CALI system, the insured amounts (i.e., the limits of insurer's liability) required by the act were modest compared to today's standards, namely, ¥300,000 for death, ¥100,000 for serious injury, and ¥30,000 for slight injury. As a result of several revisions, the limits of insurer's liability are now ¥30,000,000 for death and ¥40,000,000 for permanent disability (see page 7).

2. Liability under the Automobile Liability Security Act

Article 3 of the Act stipulates that any person who operates an automobile for his/her benefit shall be liable to compensate for death or bodily injury caused to any other person arising from the operation of the automobile unless he/she is able to prove all three of the following conditions:

- ☐ neither he/she nor the driver failed to exercise due diligence in operating the automobile,
- ☐ there was an intention or negligence on the part of the victim or another third party other than the driver, and
- ☐ there was no structural defect or functional disorder in the automobile.

“A person operating an automobile for his/her benefit, on whom liability for damages is imposed,” as referred to in the Act, includes any person who has control over the operation of the automobile and obtains benefit therefrom, regardless of whether he/she owns the automobile or whether he/she is driving or otherwise riding in the automobile at the time of the accident.¹

The provisions of the Act transferred the burden of proof of negligence from the victim to the person operating the automobile for his/her benefit. As a result, the imposed liability can be said to be very strict, since it is normally not easy to prove all three of the conditions listed above. Accordingly, liability in the CALI system is, in fact no-fault liability, and as a result it has become much easier for victims of traffic accidents to be compensated for their losses.

¹ Before the enforcement of the Act, those who were liable for damages had been limited to persons who violated, intentionally or negligently, the rights of other persons (Art. 709 of the Civil Code), although if an employee caused damage to another party in an accident during the course of his/her employment, his/her employer was, in many cases, held liable (Art. 715 of the Civil Code).

Chapter 2. Outline of CALI

1. Obligation to conclude a CALI contract

Under the Act, no automobile can be operated unless a contract for CALI (or Compulsory Automobile Liability Mutual Aid, CALMA) has been concluded (Art. 5 of the Act).¹

The purpose of the Act is to protect victims of traffic accidents through the introduction of a liability system which forces a party at fault to secure funds to pay for damages. Therefore, every automobile is required² to be insured by CALI or CALMA. Violation may result in imprisonment with labor for a period not exceeding one year or a fine not exceeding ¥500,000 (Art. 86-3 of the Act).

A valid CALI certificate must be presented both at the time of initial registration of an automobile and at each vehicle inspection,³ carried out periodically by administrative authorities, thereafter. The CALI policy period must cover the full length of time before the next vehicle inspection (Art. 9 of the Act). This system is considered the surest way to preclude any uninsured automobile from being used on public roads, and ensures that every automobile that undergoes inspection is insured by CALI or CALMA.

1 In 1966, motorized bicycles were newly included to the category of “automobiles,” as stipulated by the Act. It subsequently became compulsory to conclude CALI on motorized bicycles. Given that such vehicles are exempt from the periodic vehicle inspections, the insured is required to attach to these vehicles an insurance sticker provided by the insurer which certifies the existence of a CALI contract as well as its expiry date (Arts. 9-2 and 9-3 of the Act). The purpose of the system is to enable the easy detection of any uninsured automobiles and to eliminate them from public roads.

In 2023, with the revision of the Road Traffic Act, motorized bicycles have been divided into "general motorized bicycles" and "specified small motorized bicycles," with small mobility vehicles — such as electric scooters that meet certain safety standards — having been classified as "specified small motorized bicycles." New traffic rules apply to "specified small motorized bicycles," such as not requiring a rider to have a driver's license if they are 16 years old or older. Specified small motorized bicycles must be covered by CALI, which is the same as that which covers motorized bicycles. In addition, motorized bicycles that do not meet the requirements for "specified small motorized bicycles" are classified as "general motorized bicycles."

2 The only exceptions to this are those automobiles used by the Self-Defense Forces of Japan or by the forces of the United States of America or the United Nations, or those which are not used on any road that is open to public traffic (Art. 10 of the Act and Art. 1-2 of the Enforcement Ordinance).

3 Intervals between vehicle inspections depend on the type of automobile. In the case of a private passenger automobile, for example, the first inspection has to be conducted within three years of the date of registration, and inspections are required every two years thereafter. Any person who wishes to have his/her automobile

registered or inspected must present a CALI certificate. If he/she fails to do so, the automobile cannot be registered or inspected and will be prohibited from being operated.

2. Insurers' obligation to provide insurance

In general, private insurers may choose to accept or reject any application for an insurance contract at their discretion. However, since the purpose of the Automobile Liability Security Act is to ensure that every automobile will be insured by CALI, it is not only necessary to compel automobile owners to conclude CALI on their automobiles but also to prohibit the insurer from declining any application for a CALI contract. For this reason, the Act prohibits the insurer from refusing to conclude a CALI contract, except when there is due reason as provided in the Act, such as non-payment of the premiums or a breach in the disclosure agreement on the part of the applicant (Art. 24 of the Act and Art. 11 of the Enforcement Ordinance).

Neither of the parties to a CALI contract may cancel or terminate the contract, except in a very limited number of cases. The contract may only be canceled when the insured automobile comes to be regarded as any automobile to which the Act is not applicable, when the policyholder willfully or negligently breaches the disclosure agreement, or when another CALI or CALMA contract is concluded to cover the same automobile (Art. 20-2 of the Act).

3. Insurers

Insurers who can maintain CALI contracts are general insurance companies as stipulated in Art. 6 of the Insurance Business Act.

As a result of revisions to the Act in 1966, agricultural cooperatives and a federation of agricultural cooperatives established under the Agricultural Cooperative Society Act have been permitted to carry on this type of insurance business. The Act was further revised on December 20, 1995, to include consumer cooperatives or a federation of consumer cooperatives (established under the Consumers' Livelihood Cooperative Society Act), as well as common facility cooperatives or a federation of common facility cooperatives (established under the Act on Cooperatives of Small and Medium Enterprises). The actual business performed by such entities is the same as that operated by insurers, but this system is called CALMA instead of CALI, because under the current Insurance Business Act, "insurance" business can only be carried out by stock or mutual companies, and insurance business operated by any other entity, including cooperatives, must be denoted in some other way.

4. The insured

Under CALI, the insured is the “owner” and “driver” of an automobile (Art. 11 of the Act). The “owner” refers to a person who owns an automobile or any other person entitled to use it, and who operates such automobile for his/her benefit (Art. 2 Par. 3 of the Act). Thus, a person who operates an automobile without the permission of the person or persons entitled to its use (a thief, for example) is not regarded as the “owner.”

The “driver” refers to a person who drives or a person who assists in driving an automobile for another person’s benefit, but who is not the owner of the automobile (Art. 2 Par. 4 of the Act).

5. Insurers’ liability

(1) Scope of insurers’ liability

According to the general policy conditions of CALI, coverage is afforded with respect to any operation of the insured automobile within the territorial jurisdiction of Japan including the Japanese vessels in foreign waters (Art. 1 of the general policy conditions of CALI). The nationality or country of residence of the insured or the victim does not affect the insurance coverage.

(2) Limits of insurance

Under CALI, the limits of insurance are set out by the Enforcement Ordinance for death, different degrees of permanent disability, and other bodily injury.

In the case of death or permanent disability resulting from bodily injury, indemnities are assessed separately for the loss incurred prior to death or stabilization of the state of permanent disability and again for the actual loss resulting from death or permanent disability. Under CALI, the amount of indemnification is subject to the respective limits of insurance.

The limits of insurance are applied to each victim without any total limit per occurrence. Any payment for a claim does not reduce the limits of insurance for the rest of the policy period as the limits are automatically reinstated. As CALI was specifically established for the purpose of protecting the victims of automobile accidents, the limits of insurance are designed to provide basic coverage for securing the minimum financial responsibility of the party at fault.

The limits of insurance currently in force are as follows (Art. 13 of the Act and Art. 2 of the Enforcement Ordinance)¹ :

❑ For death	¥30,000,000
❑ For permanent disability (from 1st to 14th grade)	
(i) For permanent disability requiring constant or occasional nursing care	
1st grade	¥40,000,000
2nd grade	¥30,000,000
(ii) For other cases of permanent disability	
From ¥30,000,000 (1st grade) to ¥750,000 (14th grade)	
❑ For bodily injuries	¥1,200,000

1 The insured amount per person is the total amount of insurance limits for applicable damages.

6. Exclusion from coverage

Under CALI, the insurer is excluded from liability for indemnification for damage caused by malicious intent on the part of the policyholder or the insured (Art. 14 of the Act), but the victim is still protected under the insurance. The victim is entitled to make a claim directly against the insurer and recover the amount of damages from the insurer. The insurer may then claim compensation from the Government for the amount paid (Art. 16 Par. 4 and Art. 72 Par. 2 of the Act).

The Government is then subrogated to the claim of the victim against the liable party (the policyholder or the insured) to the extent of the amount paid by the insurer (Art. 76 Par. 1, item 3 of the Act).

7. Claim for indemnity

(1) Payment of insurance claims

Under the Act, the insured is entitled to make a claim against the insurer only up to the amount that he/she actually paid as damages to the victim (Art. 15 of the Act). This is to prevent the insured from misappropriating the CALI claim and leaving the victim uncompensated if the insured receives the claim before he/she makes indemnification to the victim.

(2) Claim for indemnity against the insurer

If the owner has become liable to compensate for damage pursuant to the provision of Art. 3 of the Act, the victim is entitled to make a claim directly against the insurer for the amount of damage to the extent of the limits of insurance described above (Art. 16 Par. 1 of the Act). When the insurer pays the victim the claimed amount, it is deemed to have indemnified the insured for his/her loss under the liability insurance contract (Art. 16 Par. 3 of the Act).

(3) Provisional payment

The victim is also entitled to ask the insurer for a provisional payment before the amount of damages is actually determined (Art. 17 of the Act). Since it often takes a long time to determine the amount of damages, the provisional payment system was adopted as a measure to ease the financial burden of the victim. The amount payable under this system is ¥2,900,000 in the case of death, whereas in the case of bodily injury the amount payable is ¥50,000, ¥200,000 or ¥400,000 depending upon the degree of injury suffered (Art. 5 of the Enforcement Ordinance).

8. Premium rates

(1) Role of GIROJ

CALI premium rates calculated by GIROJ, which are called Standard Full Rates, are filed with the FSA. Filing is deemed approved automatically after a 90-day examination period, which may be changed at the FSA's discretion. The examination period starts the day after the FSA accepts the filing. When GIROJ has filed rates, it must make a public announcement in the Official Gazette and principal daily newspapers. The Commissioner of the FSA must consult the CALI Council (Art. 33 of the Act) with respect to rates and obtain the consent of the Minister of Land, Infrastructure, Transport and Tourism (Art. 28 Par. 2 of the Act). After the examination period, member insurers may use these rates as their own by individually filing with the FSA.

The Anti-Monopoly Act does not apply to certain activities of CALI, such as GIROJ's calculation of Standard Full Rates and the use of the said rates by member insurers.

(2) Risk classification

For the purpose of CALI premium ratings, automobiles are classified by type, size, and use.¹ A bonus-malus system² has not been adopted.

¹ There are two exceptions:

- (1) Premium rates for remote islands are different from those applied to the Four largest islands of Japan (i.e., Hokkaido, Honshu, Shikoku and Kyushu). Also, premium rates for Okinawa Prefecture are different than those for other areas of Japan.
- (2) Premium rates applicable to commercial passenger automobiles vary by area.

² Under this system, a discount is granted to a policyholder who has been claim-free for a certain number of years, or, conversely, a surcharge is imposed on a policyholder who has made a claim.

(3) No-loss, no-profit rule

Article 25 of the Act stipulates that premium rates shall be as low as possible to the extent which insurance business under efficient management can cover reasonable costs. This provision has

been construed to prohibit the insurer from making any profit from the operation of CALI, which works under a “no-loss, no-profit” rule.

As such, any underwriting surplus and investment income obtained from the operations of CALI are reserved cumulatively for the improvement of the underwriting balance, the development of measures to prevent traffic accidents, the protection and provision of assistance to victims of accidents or their bereaved family members, and the improvement of emergency medical services. Underwriting loss or profit from the operations of CALI may also be reflected in the revision of premium rates.

9. Mutual pool

The “mutual pool” system entails all carriers participating in the CALI and CALMA schemes in order to prevent deterioration in the underwriting results of carriers because of the obligation to accept any applicants regardless of risk. After deducting operating expenses relating to CALI and CALMA business, all premiums, are brought into the pool and redistributed to each carrier.

Chapter 3. Settlement of claims

1. Outline of claims handling

Normally, in the case of an accident, an insurer manages all aspects of claims handling, including receipt of notification of the accident, confirmation of the insurance contract, investigation of the accident situation and the extent of loss, and payment of indemnities. However, CALI, which is characterized by its function as a basic compensation system to provide relief to victims of traffic accidents, a high degree of fairness, objectivity, and uniformity are required in claims handling. For this reason, GIROJ's Claims Survey Offices carry out a significant portion of the claims handling procedures, including determination of the validity of a claim and the reasonability of the damage amount assessed. The results of the GIROJ's surveys are then provided to the relevant insurers.

2. Assessment of the amount of claims and damages

Under the CALI scheme, the amount of loss suffered by victims of traffic accidents is assessed in accordance with the standards for payment as announced by the Minister of Land, Infrastructure, Transport and Tourism and the Commissioner of the FSA. The standards adopt, as far as possible, fixed-form and fixed-amount methods of calculation in order to quickly and impartially handle huge amount of claims. The items of loss¹ included in the standards are detailed below. The standard payment amount for each loss is subject to re-examination, taking into consideration differences in wages, prices, and indemnities.

¹ Any costs incurred by the insured through litigation with the victim are not covered under CALI (Art. 8 of the general policy conditions of CALI).

(1) Damages for bodily injury

(i) Direct damage

- ☐ Expenses related to medical treatment (e.g., examination fees, hospital fees, outpatient fees, nursing care fees, and miscellaneous expenses)
- ☐ Documentation fees
- ☐ Other expenses

(ii) Loss of earnings due to absence from work

(iii) Damages for pain and suffering

(2) Damages for permanent disability

(i) Loss of future earnings

(ii) Damages for pain and suffering

(3) Damages for death

- (i) Funeral expenses
- (ii) Loss of future earnings
- (iii) Damages for pain and suffering on the part of the victim and his/her bereaved family members

(4) Damages for bodily injury suffered prior to death

Direct damages, loss of earnings due to absence from work, and damages for pain and suffering are included in this category, and the standards for “damages for bodily injury” are correspondingly applied to this item.

In order to facilitate the protection of victims, damage surveys need to be performed carefully. In particular, a victim or his/her bereaved family member(s) may contest the assessment of negligence or the determined level of permanent disability. Such disputes must be evaluated by experts such as lawyers and doctors. With this in mind, GIROJ established a “CALI (CALMA) Claims Assessment Board” system in April 2002. Under this system, the Board and related task forces comprising outside experts resurvey difficult claims or any opposition to the assessment of claims.

3. Reduction in the amount of a claim

The amount of indemnity CALI provides for victims of traffic accidents may be reduced in the following special cases.

(1) Reduction due to gross negligence on the part of the victim

In general tort liability cases, the principle of comparative negligence applies. However, under CALI, the amount of indemnity is reduced only when a victim has shown gross negligence, defined as 70% or more of responsibility, in the accident. The ratio of reduction, in case of death or permanent disability, is limited to 20%, 30% or 50% depending upon the degree of the victim's negligence. In the case of bodily injury other than permanent disability, however, the ratio of reduction is set at 20%.

(2) Reduction due to uncertainty over the existence of a proximate cause relationship

In some cases, it is difficult to prove medically the existence of a proximate cause relationship between the negligent act and the damages suffered. However, as CALI prioritizes relief for victims, it is of concern if the victim cannot be indemnified for damages because of an uncertainty.

Accordingly, in such cases, insurers are required to pay the victim 50% of the amount of the loss due to death or permanent disability.

4. Adjustment in relation with social insurance

In the case where a victim of a traffic accident suffers bodily injury and is a beneficiary of one or more social insurance schemes, such as health insurance or workers compensation insurance, he/she can either receive compensation from such social insurance schemes or under the CALI scheme. He/she cannot receive benefits under both CALI and other social insurance schemes for the same loss. This means that a social insurer that paid benefits to the victim can be subrogated to the claim that the victim has against the relevant CALI insurer or the liable party up to the amount of benefit paid. Thus, the amount the victim is entitled to claim against the CALI insurer will be reduced to that extent.

5. CALI dispute settlement scheme

Under the amended Act of April 2002, the CALI dispute settlement scheme was introduced in order to facilitate fair and appropriate settlement of claims. In cases where a victim of a traffic accident or the insured contests the insurer's settlement of claims, he/she may apply for mediation through the Dispute Settlement Organization for Compulsory Automobile Liability Insurance Claims, a corporation established in the public interest and designated by the Minister of Land, Infrastructure, Transport and Tourism and the Commissioner of the FSA.

Chapter 4. The Government Plan for Automotive Safety & Victims' Aid

1. Program Guaranteeing Compensation for Automobile Accidents

When a person is killed or injured in an accident caused by an uninsured, unidentified (e.g., hit-and-run), or stolen¹ automobile and therefore cannot be compensated by CALI, the victim can receive compensation under the Program Guaranteeing Compensation for Automobile Accidents (Arts. 71 and 72 of the Act).

The items of indemnity provided under the Program Guaranteeing Compensation for Automobile Accidents are basically identical to those under CALI. If the victim is entitled to any benefits from social security or other public compensation schemes such as health insurance or workers compensation insurance under the provisions of the Act and the Enforcement Ordinance, the amount of such benefits is deducted from the amount of compensation under this Program (Art. 73 of the Act and Art. 21 of the Enforcement Ordinance).

The Program is financed by a levy on the premiums of CALI and CALMA at a proportion specified by the Cabinet Ordinance.

The Program is subsumed under the Minister of Land, Infrastructure, Transport and Tourism (Art. 83 of the Act) and implemented by some of the CALI and CALMA carriers (Art. 77 of the Act and Art. 22 of the Enforcement Ordinance). Victims may file claims with any of these carriers. If a claim is made against CALI or CALMA, GIROJ surveys the claim. After the Government has paid the indemnity, it can be subrogated to the victim's claim to compensation from the liable party for damage up to the amount paid (Art. 76 of the Act).

¹ If a stolen automobile covered by CALI causes an accident and the owner is not found negligent in the maintenance of the automobile, CALI does not cover such incident as an accident, and the thief is solely liable.

2. Program to Promote Injured Party Protection, etc.

Although the number of traffic accidents, fatalities, and injuries are decreasing, the number of persons with severe disabilities has remained unchanged. This matter requires further enhancing victim support and a greater promotion of accident prevention by championing of advanced safety technologies. The Government carries out projects to support victims — such as the establishment and operation of medical facilities that specialize in assisting those who have become severely disabled as a result of automobile accidents and which provide rehabilitation support during home nursing care, along with projects to prevent accidents — such as by encouraging the introduction of advanced safety vehicles and the evaluation of automobile safety performance.

However, these measures were only to be taken for a limited time as a result of operating against a backdrop of limited reserve funds.

As these projects should be implemented in a sustainable and stable manner, and given that efforts must be made to realize a society in which victims and their families can live without anxiety and in which people are free from car accidents, the Program to Promote Injured Party Protection, etc. — implemented by the Government — came into effect on a permanent basis from April 2023 (Art 77-2 of the Act).

3. Levies for the Government Plan for Automotive Safety & Victims' Aid

The Government Plan for Automotive Safety & Victims' Aid was launched in April 2023, and combines two existing systems: the Program Guaranteeing Compensation for Automobile Accidents and the “Program to Promote Injured Party Protection, etc.” This reform expanded the levy system under the auspices of the “Levies for the Government Plan for Automotive Safety & Victims' Aid,” which is appropriate for both the Program to Promote Injured Party Protection, etc. and the Program Guaranteeing Compensation for Automobile Accidents (which were formerly applied only for the latter).

Chapter 5. CALI Council

As CALI is a compulsory insurance system of a highly public nature with the purpose of providing relief to victims of traffic accidents, a higher degree of management is required compared to the management of other insurance businesses. To ensure democratic administration of the system and fair and reasonable decision-making with regard to policy conditions and premium rates, the CALI Council¹ was established within the FSA (Art. 31 of the Act).

The Commissioner of the FSA must consult the CALI Council about matters related to CALI, such as the issuance of operating licenses, approval of policy conditions, and examination of premium rates or orders to revise them (Art. 33 of the Act).

¹ The CALI Council is composed of thirteen members, including seven persons of learning and experience, such as professors, three persons with expertise and experience in road transportation and traffic accidents, and three persons with expertise and experience in the insurance business (Arts. 1 and 2 of the CALI Council Ordinance).

Part 2. Voluntary Automobile Insurance

Since rate liberalization in July 1998, insurers have introduced their own policy conditions. Consequently, the voluntary automobile insurance market offers various types of coverage.

The standard policy form made by GIROJ consists of general policy conditions and endorsements. The general policy form includes three types of coverage, namely: third-party liability, bodily injury indemnity, and physical damage.

Following are details on the coverage of the standard policy form made by GIROJ.

Chapter 1. Types of coverage

1. Coverage for third-party liability

(1) Legal liability covered under this insurance

Coverage for bodily injury liability that is provided by voluntary automobile insurance policies acts as excess cover in addition to CALI. The scope of such coverage under voluntary automobile insurance is broader than it is under CALI.

Coverage for bodily injury liability covers any kind of legal liability for an accident arising from the ownership, use, or maintenance of the insured automobile.

Coverage for property damage liability covers legal liability arising from the ownership, use, or maintenance of the insured automobile for the below:

- (a) loss, damage, or contamination caused to another person's property, and
- (b) putting out of operation any land transportation equipment that runs on tracks.

Those liability for damages will be covered regardless of whether it is incurred under Art. 3 of the Act or any provision of the Civil Code or any other act.¹

Differences also exist with regard to defining the insured persons. Under CALI, the "owner" and the "driver" are insured persons, whereas under bodily injury liability provided by third-party liability insurance, in addition to the "named insured" indicated in the policy, the following persons are insured: the spouse of the named insured, including unmarried spouse², relatives³ of the named insured, any person who drives or uses the automobile with the permission of the named insured,⁴ a person obligated to supervise a person without capacity to assume responsibility, and the employer of the named insured.⁵

¹ Because of this difference, an exceptional case may occur where payment for bodily injury liability is made solely under voluntary automobile insurance, without any payment being made under a CALI contract. For example, in the case of an explosion of an insured automobile that is kept in a garage, no claims are paid with respect to bodily injury liability under CALI, as the explosion cannot be construed as having occurred arising

from the operation of the insured automobile. Under voluntary automobile insurance, on the other hand, payment will be made to cover the liability of the insured if damages are caused by his/her negligence in the maintenance of the automobile. In such circumstances, voluntary automobile insurance acts to cover the whole amount of liability for the loss, instead of acting only as excess cover in addition to CALI.

2 The “spouse” hereinafter refers to the other party to the marriage of the named insured, including a person who is de facto married with the named insured, even though the marriage has not been registered, and a person whose gender on the family register is the same as the named insured, but their relationship is materially the same as marriage.

3 The “relatives” in this context mean:

- ☐ A relative of the named insured or of his/her spouse, who lives in the same household
- ☐ A child of the named insured or of his/her spouse, who does not live in the same household and has no history of marriage

4 This does not include the period when the insured automobile is under the care and control of any business partners including automobile repair shops, parking lots, and automobile sales businesses as part of a business agreement.

5 The policy insures the employer’s liability if an accident occurs while the insured automobile is being used by the named insured for the business of the employer, and if the employer is liable for the damage caused by that accident under Art. 3 of the Act, Art. 715 of the Civil Code, or the provision of any other act.

The scope of property damage liability coverage is identical to that of bodily injury liability. Under the coverage for property damage liability, the insurance policy covers the insured for his/her legal liability, under the provision of the Civil Code or any other act, for an accident arising from the ownership, use, or maintenance of the insured automobile.

Costs of litigation between the insured and the claimant, including lawyers’ fees, and other expenses are covered if they are incurred by the insured with the written agreement of the insurer.

(2) Limits of insurers’ liability

With regard to third-party liability coverage, the limits of coverage are agreed upon separately for bodily injury and for property damage between the insurer and the policyholder. For bodily injury liability coverage, the limit of coverage is applied on a per-victim basis with no limit of liability per accident. Where the applicant requires a greater amount of coverage, coverage with unlimited indemnity is available.

(3) Exclusions

Any loss caused by a willful act on the part of the policyholder or the insured is excluded from coverage. In the case of a willful act committed by an insured person other than the named insured,

however, this exclusion does not apply to the liability of any other insured person who is innocent.

Coverage is also excluded for any loss caused by:

- ☐ War, civil war, rebellion, insurrection, riot, or similar incident
- ☐ Earthquake, volcanic eruption, or tsunami
- ☐ Typhoon, flood, or tidal wave
- ☐ Nuclear fuel material
- ☐ Nuclear radiation or radioactive contamination
- ☐ Using the insured automobile for the purpose of racing or stunting; or using the insured automobile in a place intended for racing or stunting
- ☐ Loading the insured automobile with dangerous goods for a business purpose, or using the insured automobile to tow a tractor loaded with dangerous goods for a business purpose

Coverage is also excluded for any loss to the insured persons caused by being held liable for bodily injury to:

- ☐ The named insured
- ☐ Any person who is driving the insured automobile, his/her parent, spouse or child
- ☐ The insured's parent, spouse, or child
- ☐ Any employee of the insured engaged in the business of the insured
- ☐ Any employee of the insured engaged in the business of another employee of the insured, provided that the insured is using the insured automobile for the purpose of that employee's business

Coverage is excluded for any loss to the insured persons caused by being held liable for loss, damage, or contamination caused to the property of:

- ☐ The named insured
- ☐ Any person who is driving the insured automobile, his/her parent, spouse, or child
- ☐ The insured or his/her parent, spouse, or child

(4) Out-of-court settlement by the insurer

If the insured receives a claim for damage from the victim of a traffic accident, the insurer may settle the claim out of court directly with the victim on behalf of the insured, and determine the extent of the insured's liability for damage to the victim, for the purpose of handling the claim smoothly. The insurer, with the consent of the insured, may negotiate, settle, mediate, or litigate

the claim within the limit of the insured's liability to the victim. All the relevant costs are borne by the insurer.

(5) Right of the victim to claim for damage directly to the insurer

In bodily injury and property liability coverage, the victim of a traffic accident may make a claim for damage directly to the insurer. This system protects the victims of traffic accidents, similar to the system under CALI where a traffic accident victim may make a claim for damage against the CALI contract of the party at fault. The insurer, if certain conditions are met, pays the victim the amount of damage within the liability of the insured.

2. Bodily injury indemnity coverage

GIROJ develops Reference Loss Cost Rates and a standard policy form for the bodily injury indemnity coverage from 2021.

(1) Insurers' liability

Under this coverage, benefits are paid when the insured suffers bodily injury, which includes gas poisoning, due to the following sudden, fortuitous, and externally-caused accidents:

- ☐ An accident arising from the operation of an insured automobile
- ☐ An accident, caused by a collision with a flying or falling object, fire, explosion, or the falling of an insured automobile while being operated

Under this coverage, "insured person" includes the following:

- ☐ The person who is in a regular seat, or in the compartment where such a seat is installed, of the insured automobile
- ☐ The owner of the insured automobile
- ☐ The driver of the insured automobile

Of the above, the owner and driver are not only insured while boarding the insured vehicle, but also if they are run over by the insured automobile while outside the automobile. An insured person other than the owner and the driver is only insured when on board.

(2) Amount of benefit paid

The amount of benefit paid under this coverage is as follows:

$$\left(\begin{array}{c} \text{The amount of loss suffered by} \\ \text{the insured person calculated by} \\ \text{the insurance company in} \\ \text{accordance with the standards} \\ \text{stated in the insurance policy} \end{array} \right) + \left(\begin{array}{c} \text{Certain expenses spent} \\ \text{by the policyholder or} \\ \text{the insured person} \end{array} \right) - \left(\begin{array}{c} \text{The amount paid by} \\ \text{other insurance} \\ \text{coverage and} \\ \text{the amount of the} \\ \text{indemnity received} \\ \text{from the liable party} \end{array} \right)$$

The amount of the benefit cannot exceed the insured amount stated in the policy. An insurer that has paid benefit under this coverage is subrogated to the claim of the insured to seek compensation for damages from the party at fault.

(3) Exclusions

Coverage is excluded in the case of any loss caused by the insured when committing a willful act, gross negligence, a violent act against another person, a suicidal/criminal act, or, in the case of an accident occurring while the insured is:

- ❑ driving the insured automobile without a valid driver's license, or under the influence of alcohol or drugs (such as narcotics) or,
- ❑ driving or otherwise riding in the insured automobile without the permission of the person entitled to its use.

Furthermore, bodily injury caused by any of the following reasons is excluded from this coverage:

- ❑ War, civil war, rebellion, insurrection or riot
- ❑ Earthquake, volcanic eruption, or tsunami
- ❑ Nuclear fuel material
- ❑ Wound infections caused by minor injuries that do not interfere with normal life and work
- ❑ Nuclear radiation or radioactive contamination
- ❑ Using the insured automobile for the purpose of racing, stunt driving, or testing, or using the insured automobile in a place intended for racing, stunt driving, or testing
- ❑ Loading the insured automobile with dangerous goods for a business purpose, or making the insured automobile tow a tractor loaded with dangerous goods for a business purpose

Endorsement for a self-incurred personal accident and protection against uninsured automobiles, as mentioned later, are used to provide limited coverage when bodily injury indemnity coverage is not included in the policy.

3. Physical damage coverage

(1) Insurers' liability

This coverage indemnifies any accidental loss to the insured vehicle. The causes of loss covered include collision, contact, falling, rolling over, or contact with a flying or falling object, fire, explosion, theft, typhoon, flood, and tidal wave. Losses of accessories of the insured vehicle, such as a car navigation system or an ETC in-vehicle device, are also covered.

(2) Exclusions

Coverage is excluded for the following losses:

- ☐ Loss caused by a willful act or gross negligence on the part of the policyholder, the owner of the insured vehicle, the insurance beneficiary, or the equivalent thereof (e.g. the policyholder's spouse)
- ☐ Loss caused when the insured automobile was being driven by the policyholder, the owner of the insured vehicle, the insurance beneficiary, or the equivalent thereof (e.g. the policyholder's spouse) without a valid driver's license or under the influence of alcohol or narcotics
- ☐ Loss caused by war, civil war, rebellion, insurrection, riot, earthquake, volcanic eruption, tsunami, or radioactive contamination
- ☐ Loss caused by exercise of the Government and other public authority
- ☐ Loss caused by fraud or embezzlement
- ☐ Loss caused by using the insured automobile for the purpose of racing or stunting, or using the insured automobile in a place intended for racing or stunting
- ☐ Loss caused by loading the insured automobile with dangerous goods for a business purpose, or using the insured automobile to tow a tractor loaded with dangerous goods for a business purpose
- ☐ Loss caused while transporting the insured vehicle by plane or vessel.
- ☐ Mechanical or electrical breakdown, defect, wear and tear, corrosion, rust, or natural deterioration of the insured automobile
- ☐ Loss caused to parts or accessories that have been unlawfully modified

(3) Insured amount and insurable value

Under this coverage, the insured amount is stated in the insurance policy, although payment for loss is calculated on the basis of the insurable value of the insured automobile. The insurable value is assessed according to the market value of an automobile of identical use, type, name, model, specification, initial registration year, and degree of wear and tear. The automobile is deemed a total loss when it is not possible to repair the damage to the insured automobile — such as in cases

wherein it is stolen, lost due to a fire etc., wrecked beyond repair, or when the cost of repairs exceeds the insurable value. If the cost of repairs exceeds the insurable value, the automobile is deemed a total loss. If the insured amount is less than the insurable value, the amount paid for loss is calculated as a proportion of the insured amount to the insurable value. As long as the total value of the insured automobile does not increase as a result of mainly parts replacement, the amount paid for loss is calculated without adjustment. If the cost of repairing damaged parts is less expensive than replacing them, the amount paid for loss is determined according to the cost of repairs.

(4) Deductibles

In order to eliminate coverage for relatively small losses and to lower premiums, several deductible plans are available. Deductibles are applicable only to a partial loss of the insured automobile, not to a total loss.

4. Endorsements

The standard policy form made by GIROJ includes optional endorsements that modify the types of coverage above. GIROJ also develops Reference Loss Cost Rates for such endorsements. Following are examples of the endorsements on the base of the standard policy form made by GIROJ.

(1) Endorsement to limit drivers to the named insured and spouse

This endorsement applies coverage to only the named insured or his/her spouse¹. Accidents are not covered if they occur when the driver is someone other than the persons specified above.

¹ The "spouse" refers to the other party to the marriage of the named insured, including a person who is de facto married with the named insured, even though the marriage has not been registered, and a person whose gender on the family register is the same as the named insured, but whose relationship is materially the same as that of marriage.

(2) Endorsement to limit driver's age

This endorsement limits coverage to the drivers aged "21 or over" or "26 or over". Accidents are not covered if they occurred when the driver does not meet the specified age requirement.

(3) Endorsement to limit coverage to collision with another vehicle

This endorsement limits coverage to losses caused by collision with another vehicle, and when the other party's vehicle is identifiable and owned by someone other than the insured person.

Therefore, losses are not covered in such cases as a collision with anything other than an automobile, or when the insured person cannot identify the registration number or the driver of the other vehicle (e.g., a hit-and-run accident).

(4) Endorsement to limit physical damage coverage Type A

As an option to the physical damage coverage, this endorsement excludes coverage for high frequency risks while driving the vehicle, i.e., collision, contact and other similar incidents. The covered losses are limited to fire, explosion, theft, typhoon, flood, tidal wave, and losses caused by collision with a flying or falling object.

Each of the endorsements above makes the insurance policy more affordable by limiting the extent of coverage.

(5) Endorsement to extend coverage to driving another person's automobile

This endorsement extends the coverage of third-party liability, bodily injury indemnity (endorsement for self-incurred personal accidents or protection against uninsured automobiles if bodily injury indemnity coverage is not applicable), and physical damage to insure also an accident occurring while the named insured or a member of his/her family¹ is driving another person's automobile.

The limits of the insurer's liability and details of the coverage under this endorsement are basically the same as those under the principal coverage, i.e., third-party liability, bodily injury indemnity (endorsement for self-incurred personal accident or protection against uninsured automobiles if bodily injury indemnity coverage is not applicable), and physical damage.

If an accident occurs while the insured person is driving an automobile owned by his/her employer for the business of such employer, or if he/she is driving an automobile without the permission of the person who is authorized to use the automobile, the accident is not covered by this endorsement.

¹ In this endorsement, a "member of his/her family" refers to the named insured's spouse, his/her relative who lives in the same household, or his/her child who does not live in the same household and has no history of marriage.

(6) Endorsement for motorized bicycles

This endorsement covers losses from an accident which occurred while the named insured or a member of his/her family¹ was riding a motorized bicycle.

Under this endorsement, the motorized bicycle is treated as the "insured automobile" and is applied for third-party liability coverage and bodily injury indemnity coverage (or endorsement for

self-incurred personal accident coverage and protection against uninsured automobiles).

Covered motorized bicycles include not only those owned by the insured person, but also those borrowed from other persons. However, accidents are not covered if they occurred when an insured person was riding without a legitimate right — e.g., the insured person stole the motorized bicycle or was riding it without permission.

1 In this endorsement, a “member of his/her family” refers to the named insured’s spouse, his/her relative living in the same household, or an unmarried child not living in the same household.

(7) Endorsement for bodily injury indemnity fixed-amount coverage

Under this endorsement, benefits are paid when the insured suffers bodily injury, which includes gas poisoning, due to the following sudden, fortuitous, and externally-caused accidents:

- ☐ An accident arising from the operation of an insured automobile
- ☐ An accident, during the operation of an insured automobile, caused by a collision with a flying or falling object, fire, explosion, or the falling of the insured automobile.

Under this endorsement, “insured person” includes the following:

- ☐ The person who is in a regular seat, or in the compartment where such a seat is installed, of the insured automobile
- ☐ The owner of the insured automobile
- ☐ The driver of the insured automobile

Of the above, the owner and driver are not only insured while boarding the insured vehicle, but also if they are run over by the insured automobile while outside the automobile. An insured person other than the owner and the driver is insured only when on board.

The amount of benefit paid under this endorsement is found below:

- ☐ For death

The full amount of the insured amount if the insured person dies within 180 days from the date of occurrence of the accident
- ☐ For permanent disability

Amount obtained by multiplying the insurance amount by the insurance claim payment ratio corresponding to the permanent disability grade given that the insured person has developed the permanent disability within 180 days from the date of occurrence of the accident

☐ For bodily injuries

(i) If the total number of days of hospitalization or outpatient treatment is 5 days or more (limited to cases where the date of hospitalization or outpatient on the 5th day is within 180 days including the date of the accident)

...¥100,000

(ii) Otherwise, when hospitalized or visited within 180 days from the date of occurrence of the accident

...¥10,000

(8) Endorsement for self-incurred personal accident

Benefits under this endorsement are paid when the insured person suffers the following bodily injury and nobody is liable for damages to the insured person under the Act:

- ☐ The bodily injury of the insured person arising from the operation of the insured automobile
- ☐ The bodily injury of the insured person caused by fire or explosion, collision with a flying or falling object, or the falling of the insured automobile itself, while the insured person is in a regular seat, or in the compartment where such a seat is installed, of the insured automobile being operated

Further, the “owner” and the “driver” of the insured automobile are eligible for the same coverage as the insured person whether or not they are in the insured automobile at the time of the accident. The definitions of “owner” and “driver” of the insured automobile are pursuant to the provisions of Art 2, Pars 3 and 4 of the Act (see page 6).

(9) Endorsement for protection against uninsured automobiles

Benefits under this endorsement are paid to the insured person who suffers bodily injury due to the accident involving another automobile which is uninsured.

Here, “uninsured automobile” refers to an automobile which falls under any of the following;

- ☐ not insured against bodily injury liability under a voluntary automobile insurance policy,
- ☐ excluded from coverage with regards to that particular accident under the bodily injury liability coverage,
- ☐ insured against bodily injury liability, but the limit of bodily injury liability coverage is lower than the limit of the insured automobile’s endorsement for protection against uninsured automobiles.

Also, “uninsured automobile” includes an unidentified automobile which has caused a hit-and-run accident.

Those who are in regular seats, or in the compartment where such seats are installed, of the insured automobile, are covered.

Benefits under this endorsement are paid only if the insured is killed or has sustained a permanent disability arising from the ownership, use, or maintenance of the “uninsured automobile.”

The purpose of this endorsement is to ensure that the insured has the same level of compensation as they would otherwise have been provided by the third-party liability coverage of the insured’s own policy. Accordingly, the limit of the insurer’s liability under this endorsement is set at the same amount as the limit of bodily injury liability coverage under the same policy.

(10) Endorsement on the agreement of the value of the insured automobile

Automatically included in the physical damage coverage on most private passenger automobiles, this endorsement changes the process of determining the amount of insurance claims.

Under this endorsement, claims are paid based on the value of the automobile as agreed upon at the time of conclusion of the insurance contract, rather than the value of the automobile at the time of the accident. This may prevent disagreement between the policyholder and the insurance company regarding the assessment of the amount of losses or when the insured amount is less than the insurable value.

The agreed insurable value is assessed according to the market value of an automobile with identical use, type, name, model, specification, initial registration year, and degree of wear and tear as the insured automobile at the time of conclusion of the insurance contract. The agreed value is applicable throughout the policy period.

In case of a total loss of the insured automobile, the full amount of the agreed insurable value is paid. In case of a partial loss, the amount of repair costs, less the automobile’s residual value and the deductible, is paid.

5. Trends in new product development

Following the approval of differentiated premium rates on September 1, 1997 (see page 29), various unique insurance products and services have been introduced. In response to growing competitions and the diversification of consumers’ needs in the automobile insurance market, insurers have introduced new products including follows:

- ☐ Property damage excess coverage endorsement
- ☐ Automobile policies with premium installments

- ☐ Attorney's fees endorsement
- ☐ Endorsement for Victim Relief Expense
- ☐ Telematics Insurance (i.e., insurance in which each insurance company analyzes the mileage and driving behaviors from terminals installed in automobiles and, based on this information, calculates the premium rate based on the results of the analysis of the accident risk for each driver)
- ☐ Others

6. Promotion of automated driving cars and its impact

Due to the evolution of automotive technology in recent years, efforts are being made to promote automated driving cars. In terms of legislation, the Road Traffic Act and the Road Transport Vehicle Act — which were revised to include provisions related to automated driving, — came into effect in April 2020, making it possible to drive Level 3 automated driving cars on public roads. Furthermore, in April 2023, the Road Traffic Act — which includes a Level 4 automated driving operation permission system — was enforced, with application assuming an unmanned and automated driving service for remote monitoring in limited areas.

Automated driving cars are also being developed; in March 2021, Honda Motor Co., Ltd. launched a passenger car with an automated driving level of 3, realizing and commercializing services with an advanced automated driving level.

In addition, and given the spread of automated driving cars, insurance companies have developed a product called "Endorsement for Victim Relief Expense" which covers the cost of remedying the victim when a bodily injury or property damage accident occurs due to unauthorized access to the automated driving car, etc., and that the insured person is not legally liable for damages.

DEFINITION OF AUTOMATED DRIVING LEVEL¹

Level	Narrative Definition	DDT ² Fallback
Driver Support – Driver Performs Part or All of the DDT		
Level 0	The performance by the driver of the entire DDT, even when enhanced by active safety systems.	Driver
Level 1	The sustained and ODD ³ -specific execution by a driving automation system of either the lateral or the longitudinal vehicle motion control subtask of the DDT (but not both simultaneously) with the expectation that the driver performs the remainder of the DDT.	Driver
Level 2	The sustained and ODD-specific execution by a driving automation system of both the lateral and longitudinal vehicle motion control subtasks of the DDT with the expectation that the driver completes the OEDR ⁴ subtask and supervises the driving automation system.	Driver
Automated Driving – ADS⁵ (“System”) Performs the Entire DDT (While Engaged)		
Level 3	The sustained and ODD-specific performance by an ADS of the entire DDT with the expectation that the DDT fallback-ready user is receptive to ADS-issued requests to intervene, as well as to DDT performance-relevant system failures in other vehicle systems, and will respond appropriately.	Fallback-ready user (becomes the driver during fallback)
Level 4	The sustained and ODD-specific performance by an ADS of the entire DDT and DDT fallback without any expectation that a user will need to intervene.	System
Level 5	The sustained and unconditional (i.e., not ODD-specific) performance by an ADS of the entire DDT and DDT fallback without any expectation that a user will need to intervene.	System

1 Referenced from National Police Agency website

2 DDT refers to Dynamic Driving Task

3 ODD refers to Operational Design Domain

4 OEDR refers to Object and Event Detection and Response

5 ADS refers to automated driving systems

Chapter 2. Premium rating

1. Role of GIROJ

Prior to July 1, 1998, member insurers of a rating organization were required to use the premium rates calculated by the rating organization under the Rating Organizations Act. Premium rates for voluntary automobile insurance were calculated by AIRO. After the revision of the Rating Organizations Act on July 1, 1998, premium rates for voluntary automobile insurance as calculated by a rating organization were changed to Reference Loss Cost Rates.

Member insurers of a rating organization have no obligation to use the Reference Loss Cost Rates. Instead, they can use the Reference Loss Cost Rates as a basis for calculating their own net pure premium rates which must be filed with the Commissioner of the FSA for approval. In conjunction with their expense loadings and the net pure premium rates, the premium rates (i.e., Operating Premium Rates) are used by the member insurers. Since July 1, 2002, GIROJ has been calculating the Reference Loss Cost Rates for voluntary automobile insurance. Reference Loss Cost Rates are applicable to the coverages for which GIROJ develops standard policy forms, i.e., third-party liability coverage, bodily injury indemnity coverage, and physical damage coverage.

2. Risk classification and premium rating plan

In general, risk classification for voluntary automobile insurance is more complicated than it is for CALI.

In Japan, risks used to be classified by type, size, and engine displacement of the insured vehicle. In December 1996, the Japan–US Insurance Talks, a trade negotiation between the two countries, approved risk-segmented rates for automobile insurance from September 1, 1997. The risk segmentation factors permitted under the Enforcement Regulations of the Insurance Business Act include driver's age, gender, driving history, usage, pattern of use, geography, vehicle type, vehicle safety features, and multi-car ownership. The bonus-malus system applies to voluntary automobile insurance.

Chapter 3. Settlement of claims

1. Bodily injury liability

(1) Payment of claims for bodily injury liability

As mentioned earlier, coverage for bodily injury liability under voluntary automobile insurance acts as excess cover in addition to CALI. Accordingly, the basic concept of claim settlement varies little between voluntary automobile insurance and CALI. Under CALI, however, which specifically functions as a compensation system for victims of accidents, member insurers use the services of the Claims Survey Offices operated by GIROJ in order to maintain a high degree of fairness, objectivity, and uniformity in claims handling (for the same reason, CALMA carriers also use the services of GIROJ's Claims Survey Offices). In voluntary automobile insurance, each claim is assessed according to the methods of the individual insurers.

Further, due to its nature, CALI limits comparative negligence in the settlement of claims. In voluntary automobile insurance, comparative negligence is applied in a strict manner based on judicial precedents and other related sources. Therefore, if the victim's negligence contributed in part to his/her injury, the amount of benefit is reduced proportionately. Payment from bodily injury liability coverage is limited to the insured amount.

(2) Unitary claims payment system

Under the unitary claims payment system, even if the policyholder concludes a CALI contract with one insurer and a voluntary automobile insurance contract with another, the insured only needs to file the claim with the voluntary automobile insurer. The voluntary automobile insurer indemnifies the total amount of the claim and then recovers the portion covered by CALI from the CALI insurer.

2. Property damage liability and physical damage

(1) Adjuster system

An adjuster is responsible for investigating and evaluating costs for repairing damaged automobiles. Adjusters can be divided into two categories, namely, "technical adjusters" and "specific automobile adjusters." Both types of adjusters are required to attend periodic training courses. Technical adjusters also have to take examinations given by the General Insurance Association of Japan. All adjusters must be registered with the Association.

An adjuster may work either as an employee of an insurer-owned adjustment subsidiary firm, or as an independent adjuster on a contract basis.

(2) Repair research and training center

In July 1973, a repair research and training center, The Jiken Center, was established in order to conduct studies on damageability and reparability of automobiles, reduction of repair and associated costs, and to provide training programs for adjusters and the claims personnel of insurers.

(3) Cognivision, Inc.

Established in October 1974, Cognivision — formerly AUDATEX JAPAN — provides insurers with computerized systems for estimating repair costs, to help adjusters and the claims personnel to efficiently carry out claims adjustments.

3. Facilities for settlement of disputes and consultation

(1) Japan Center for Settlement of Traffic Accident Disputes

Either or both parties involved in a traffic accident can petition the Japan Center for Settlement of Traffic Accident Disputes (JCSTAD) to conciliate or mediate disputes. JCSTAD was established in 1974 and reorganized in 1978 as an independent and neutral organization. Its board of directors is composed of lawyers and legal scholars. JCSTAD has eleven offices in Japan's major cities and offers free consultation services.

The center's expenses are financed by investment gains accrued from CALI premiums. Neither the Government nor insurers, however, have influence over JCSTAD's decisions. Although its decisions do not legally bind either party involved, insurers in general tend to agree with the decisions made by JCSTAD.

(2) Other organizations

Various organizations such as the General Insurance Association of Japan and GIROJ also provide victims of traffic accidents with consultation services. Each prefectural or municipal government and the Japan Federation of Bar Associations also operate traffic accident counseling offices.

Appendices

1. Limits of Insurers' Liability for CALI

Limit of liability by type of damage

Death.....	¥30,000,000
Permanent disability...	Amount variable according to the grade of disability, as shown in the following table
Injury.....	¥1,200,000

Permanent Disability Classification Table

Grade	(1) Permanent disability requiring nursing care	Limit of Liability (¥1,000)
1st grade	<input type="checkbox"/> Severe disabilities in the functions of the nervous system or serious psychological damage, requiring constant nursing care. <input type="checkbox"/> Severe disabilities in the functions of the thorax or abdominal organs, requiring constant nursing care.	40,000
2nd grade	<input type="checkbox"/> Severe disabilities in the functions of the nervous system or serious psychological damage, requiring occasional nursing care. <input type="checkbox"/> Severe disabilities in the functions of the thorax or abdominal organs, requiring occasional nursing care.	30,000

Grade	(2) Examples of permanent disability	Limit of Liability (¥1,000)
1st grade	<input type="checkbox"/> Loss of sight of both eyes. <input type="checkbox"/> Loss of functions of both mastication and speech. <input type="checkbox"/> Loss of both upper limbs above the elbow joint. <input type="checkbox"/> Total loss of the functions of both lower limbs.	30,000
2nd grade	<input type="checkbox"/> Loss of vision in one eye and decrease of vision in the other eye to 0.02 or less. <input type="checkbox"/> Decrease of vision in both eyes to 0.02 or less. <input type="checkbox"/> Loss of both upper limbs above the wrist joint. <input type="checkbox"/> Loss of both lower limbs above the ankle joint.	25,900
3rd grade	<input type="checkbox"/> Loss of vision in one eye and decrease of vision in the other eye to 0.06 or less. <input type="checkbox"/> Loss of the functions of either mastication or speech. <input type="checkbox"/> Severe disabilities in the functions of the nervous system or serious psychological damage resulting in victim's inability to engage in work for the remainder of his/her life. <input type="checkbox"/> Loss of all digits on both hands.	22,190
4th grade	<input type="checkbox"/> Decrease of vision in both eyes to 0.06 or less. <input type="checkbox"/> Severe disabilities in the functions of both mastication and speech. <input type="checkbox"/> Total loss of hearing of both ears. <input type="checkbox"/> Loss of one upper limb above the elbow joint.	18,890
5th grade	<input type="checkbox"/> Loss of vision in one eye and decrease of vision in the other eye to 0.1 or less. <input type="checkbox"/> Severe disabilities in the functions of the nervous system or serious psychological damage, causing inability to engage in anything but very light work. <input type="checkbox"/> Severe disabilities in the functions of the thorax or abdominal organs, causing inability to engage in anything but very light work. <input type="checkbox"/> Loss of all toes on both feet.	15,740

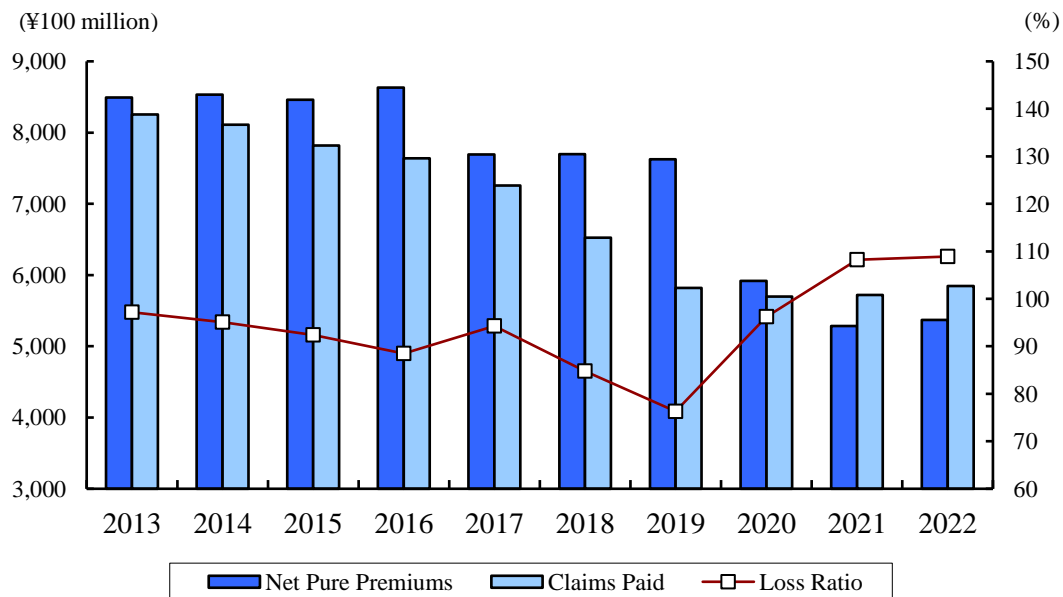
Grade	(2) Examples of permanent disability	Limit of Liability (¥1,000)
6th grade	<input type="checkbox"/> Decrease of vision in both eyes to 0.1 or less. <input type="checkbox"/> Severe disabilities in the functions of either mastication or speech. <input type="checkbox"/> Decrease of hearing of both ears to the extent of inability to hear a loud voice unless it is close to the ear. <input type="checkbox"/> Loss of five digits on one hand, or loss of four digits including the thumb on one hand.	12,960
7th grade	<input type="checkbox"/> Loss of vision in one eye and decrease of vision in the other eye to 0.6 or less. <input type="checkbox"/> Decrease of hearing of both ears to the extent of inability to hear a normal speaking voice at a distance of forty centimeters or more. <input type="checkbox"/> Disabilities in the functions of the nervous system or serious psychological damage causing inability to engage in anything but light work. <input type="checkbox"/> Loss of both testicles.	10,510
8th grade	<input type="checkbox"/> Loss of vision in one eye or decrease of vision in the other eye to 0.02 or less. <input type="checkbox"/> Motor impediment of the spinal column. <input type="checkbox"/> Loss of two digits including the thumb on one hand, or loss of three digits other than the thumb on one hand. <input type="checkbox"/> Loss of all toes on one foot.	8,190
9th grade	<input type="checkbox"/> Decrease of vision in both eyes to 0.6 or less. <input type="checkbox"/> Decrease of vision in one eye to 0.06 or less. <input type="checkbox"/> Hemianopia, contraction of the visual field, or distortion of the visual field of both eyes. <input type="checkbox"/> Severe disabilities of the genital organs.	6,160
10th grade	<input type="checkbox"/> Decrease of vision in one eye to 0.1 or less. <input type="checkbox"/> Disabilities in the functions of either mastication or speech. <input type="checkbox"/> Dental prostheses on fourteen or more teeth. <input type="checkbox"/> Severe disabilities in the functions of one of the three major joints of one lower limb.	4,610
11th grade	<input type="checkbox"/> Severe disabilities in the function of focusing or motor impediment of both eyes. <input type="checkbox"/> Severe motor impediment of both eyelids. <input type="checkbox"/> Severe residual loss of one eyelid. <input type="checkbox"/> Loss of the use of two or more toes on one foot including big toe.	3,310
12th grade	<input type="checkbox"/> Severe disabilities in the function of focusing or motor impediment of one eye <input type="checkbox"/> Severe motor impediment of one eyelid. <input type="checkbox"/> Dental prostheses on seven or more teeth. <input type="checkbox"/> Deformity of appearance.	2,240
13th grade	<input type="checkbox"/> Decrease of vision of one eye to 0.6 or less. <input type="checkbox"/> Hemianopia, contraction of the visual field, or distortion of the visual field of one eye. <input type="checkbox"/> Loss of parts of eyelids or residual baldness of eyelashes of both eyes. <input type="checkbox"/> 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.	1,390
14th grade	<input type="checkbox"/> Loss of part of one eyelid, or residual baldness of eyelashes of one eye. <input type="checkbox"/> Dental prostheses on three or more teeth. <input type="checkbox"/> Decrease of hearing of one ear to the extent of inability to hear a low speaking voice at a distance of one meter or more. <input type="checkbox"/> Nervous symptoms in affected parts.	750

2. CALI and CALMA: Underwriting Results by Policy Year

(Unit: ¥100 million)

Fiscal Year	Net Pure Premiums	Claims Paid	Underwriting Balance		Loss Ratio (%)
			On Contracts Commencing during the Year	Cumulative Total	
			[A-B]	[B/A x 100]	
2013	8,491	8,256	235	-5,144	97.2
2014	8,533	8,111	422	-4,722	95.1
2015	8,459	7,817	642	-4,080	92.4
2016	8,634	7,641	993	-3,087	88.5
2017	7,693	7,258	435	-2,653	94.3
2018	7,696	6,523	1,172	-1,480	84.8
2019	7,624	5,819	1,805	324	76.3
2020	5,919	5,696	224	548	96.2
2021	5,286	5,720	-434	114	108.2
2022	5,372	5,848	-476	-362	108.9

- Note 1. Fiscal year represents the period starting on April 1 of the year and ending on March 31 of the following year.
2. Net pure premiums do not include loadings for agency commissions and administrative expenses.
3. Source: CALI Council [2024]



3. CALI: Summary of Premium Tariffs (Four largest island of Japan)

(Unit: ¥)

Type of Automobile		Period of Contract (months)							
		60	48	37	36	25	24	13	12
Passenger Automobile	Private Use	-	-	24,190	23,690	18,160	17,650	12,010	11,500
Small-size Freight Automobile	Commercial Use	-	-	-	-	27,090	26,240	16,700	15,830
	Private Use	-	-	-	-	20,950	20,340	13,480	12,850
Small-size Two-wheeled Automobile		-	-	10,630	10,490	8,910	8,760	7,150	7,010
Light Automobile	Subject to Inspection	-	-	24,010	23,520	18,040	17,540	11,950	11,440
	Not Subject to Inspection	14,200	12,470	-	10,710	-	8,920	-	7,100
Motorized bicycle	General motorized bicycles	13,310	11,760	-	10,170	-	8,560	-	6,910
	Specified small motorized bicycles	12,040	10,730	-	9,400	-	8,040	-	6,650

Note 1. Premiums for other types of automobiles as well as for isolated islands and Okinawa Prefecture are set separately.

2. These premiums are applied to contracts that come into effect on and after April 1, 2024.

***4. Number of Claims Filed under the Government Plan
for Automotive Safety & Victims' Aid***

	Fiscal Year	Number of Claims	Percentage of Total Claims (%)	Comparison with Previous Year (%)
For Unidentified Automobiles	2018	545	74.0	-28.8
	2019	510	74.6	-6.4
	2020	373	68.7	-26.9
	2021	291	68.1	-22.0
	2022	244	66.5	-16.2
For Uninsured Automobiles	2018	191	26.0	-16.6
	2019	174	25.4	-8.9
	2020	170	31.3	-2.3
	2021	136	31.9	-20.0
	2022	123	33.5	-9.6
Total [A]	2018	736	100.0	-26.0
	2019	684	100.0	-7.1
	2020	543	100.0	-20.6
	2021	427	100.0	-21.4
	2022	367	100.0	-14.1
Total Number of Claims Filed under CALI and the Government Plan for Automotive Safety & Victims' Aid [B] (A/B %)	2018	1,298,578	(0.06)	
	2019	1,227,438	(0.06)	
	2020	1,042,280	(0.05)	
	2021	972,708	(0.04)	
	2022	971,633	(0.04)	

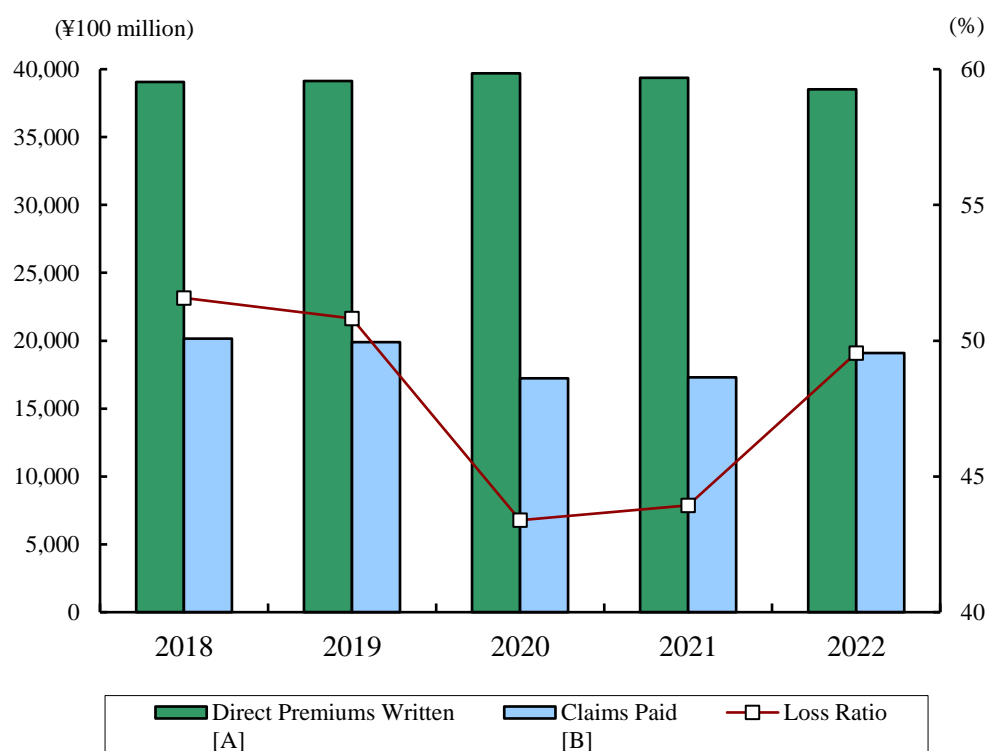
Note. Fiscal year represents the period starting on April 1 of the year and ending on March 31 of the following year.

5. Voluntary Automobile Insurance: Underwriting Results

(Unit: ¥100 million)

Fiscal Year	Direct Premiums Written [A]	Claims Paid [B]	Loss Ratio (%) [B/A x 100]
2018	39,061	20,146	51.6
2019	39,130	19,884	50.8
2020	39,700	17,225	43.4
2021	39,364	17,293	43.9
2022	38,515	19,085	49.6

Note. Fiscal year represents the period starting on April 1 of the year and ending on March 31 of the following year.



6. Diffusion of Voluntary Automobile Insurance

Fiscal Year	Number of Registered Autos	Bodily Injury Liability		Property Damage Liability		Bodily Injury Indemnity		Physical Damage	
		Number of Autos Insured	Rate of Diffusion (%)	Number of Autos Insured	Rate of Diffusion (%)	Number of Autos Insured	Rate of Diffusion (%)	Number of Autos Insured	Rate of Diffusion (%)
1970	18,919,020	7,904,979	41.8	4,656,682	24.6			2,242,910	11.9
1975	29,143,445	14,030,538	48.1	11,396,520	39.1			3,345,442	11.5
1980	38,992,023	22,649,019	58.1	21,085,099	54.1			3,787,438	9.7
1985	48,240,555	29,706,514	61.6	28,699,926	59.5			8,036,753	16.7
1990	60,498,850	40,070,950	66.2	39,434,630	65.2			14,888,431	24.6
1995	70,106,536	48,258,649	68.8	47,759,998	68.1			20,869,248	29.8
2000	75,524,973	53,553,711	70.9	53,133,312	70.4			25,600,440	33.9
2001	76,270,813	54,134,416	71.0	53,745,729	70.5			26,333,344	34.5
2002	76,892,517	54,519,452	70.9	54,167,959	70.4			26,937,932	35.0
2003	77,390,245	54,994,077	71.1	54,733,247	70.7			27,603,091	35.7
2004	78,278,880	55,542,038	71.0	55,417,271	70.8			28,441,054	36.3
2005	78,992,060	56,257,902	71.2	56,183,323	71.1			29,446,480	37.3
2006	79,236,095	56,650,803	71.5	56,606,157	71.4			30,294,053	38.2
2007	79,080,762	57,021,243	72.1	56,999,881	72.1			31,144,918	39.4
2008	78,800,542	57,249,160	72.7	57,233,456	72.6			31,690,763	40.2
2009	78,693,495	57,506,453	73.1	57,463,753	73.0			32,298,411	41.0
2010	78,660,773	57,749,537	73.4	57,713,486	73.4			32,892,031	41.8
2011	79,112,584	57,863,842	73.1	57,841,069	73.1			33,312,774	42.1
2012	79,625,203	58,370,686	73.3	58,361,115	73.3			33,953,388	42.6
2013	80,272,571	58,927,196	73.4	58,937,719	73.4	52,869,972	65.9	34,482,134	43.0
2014	80,670,393	59,524,652	73.8	59,548,877	73.8	54,086,929	67.0	34,865,363	43.2
2015	80,900,730	59,948,593	74.1	59,989,862	74.2	55,027,725	68.0	35,161,977	43.5
2016	81,260,206	60,412,293	74.3	60,466,055	74.4	55,825,435	68.7	35,627,610	43.8
2017	81,563,101	60,830,121	74.6	60,897,375	74.7	56,525,646	69.3	36,190,557	44.4
2018	81,789,318	61,206,924	74.8	61,286,266	74.9	57,106,525	69.8	36,863,747	45.1
2019	81,849,782	61,366,993	75.0	61,459,242	75.1	57,459,536	70.2	37,385,233	45.7
2020	82,077,752	61,669,767	75.1	61,774,509	75.3	57,929,669	70.6	37,884,988	46.2
2021	82,174,944	61,958,775	75.4	62,077,489	75.5	58,314,420	71.0	38,217,064	46.5
2022	82,451,350	61,980,688	75.2	62,108,410	75.3	58,340,072	70.8	38,420,032	46.6

Note 1. Fiscal year represents the period starting on April 1 of the year and ending on March 31 following year.

2. Number of Registered Autos represents the number of registered automobiles excluding motorized bicycles as of the end of each fiscal year. (Source: Automobile Inspection & Registration Information Association website)

3. Number of Autos Insured represents the number of insured automobiles excluding motorized bicycles as of the end of each fiscal year.

4. Rate of Diffusion represents the ratio of the Number of Autos Insured to the Number of Registered Autos in each fiscal year.

5. Figures of 1970 do not include those of Okinawa Prefecture.

6. Number of Autos Insured and Rate of Diffusion are of the figures of insurance companies only, excluding cooperatives.

The following table shows the rate of diffusion of bodily injury liability coverage including the figures of cooperatives which belong to JA Kyosai, Zenrosai, Zenjikyō or Kokyoren.

As of March 31, 2023		
Insurer	Number of Autos Insured	Rate of Diffusion (%)
Cooperatives	10,917,854	13.2
Insurance companies	61,980,688	75.2
Total	72,898,542	88.4

7. Judicial Precedents for Large Awards of Damages for Traffic Accidents

(1) Bodily Injury Liability

Awards of Damages (¥10,000)	Type of Damages	Name of Court	Date of Judgement	Date of Accident	Victims	
					Gender/Age	Occupation
52,853	D	Yokohama District Court	2011/11/1	2009/12/27	M/41	Medical Practitioner
45,381	PD	Sapporo District Court	2016/3/30	2009/1/7	M/30	Government Employee
45,375	PD	Yokohama District Court	2017/7/18	2012/11/1	M/50	Consultant
45,063	PD	Sapporo District Court	2021/8/26	2012/8/17	M/19	College Student
43,961	PD	Kagoshima District Court	2016/12/6	2010/11/9	F/58	Teacher
39,725	PD	Yokohama District Court	2011/12/27	2003/9/14	M/21	College Student
39,510	PD	Nagoya District Court	2011/2/18	2007/4/13	M/20	College Student
39,095	PD	Kobe District Court	2017/3/30	2009/12/3	M/32	Teaching Assistant
38,281	PD	Nagoya District Court	2005/5/17	1998/5/18	M/29	Company Employee
37,886	PD	Osaka District Court	2007/4/10	2002/12/11	M/23	Company Employee

(2) Property Damage Liability

Awards of Damages (¥10,000)	Name of Court	Date of Judgement	Date of Accident	Damaged Property
26,135	Kobe District Court	1994/7/19	1985/5/29	Cargo (clothes, fur)
13,450	Tokyo District Court	1996/7/17	1991/2/23	Store (pachinko parlor)
12,036	Fukuoka District Court	1980/7/18	1975/3/1	Train, Railway line, House
11,798	Osaka District Court	2011/12/7	2007/4/19	Trailer
11,347	Chiba District Court	1998/10/26	1992/9/14	Train
6,124	Okayama District Court	2000/6/27	1996/9/26	Cargo
4,141	Osaka District Court	2008/5/14	1999/9/25	Cargo
3,391	Nagoya District Court	2004/1/16	2001/3/9	Large-size freight auto, Cargo
3,156	Tokyo District Court	2001/12/25	1999/11/5	Building
3,052	Tokyo District Court	2001/8/28	1999/5/16	Store (surfing shop)

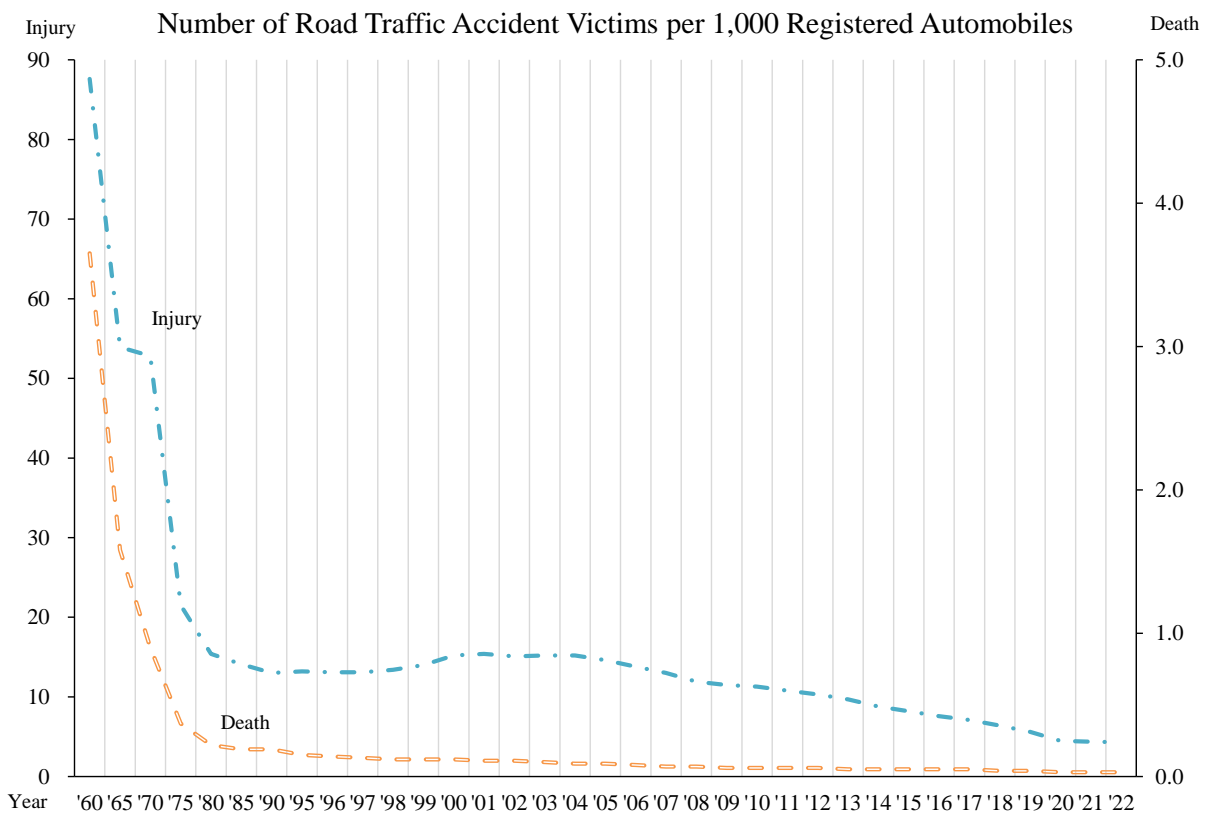
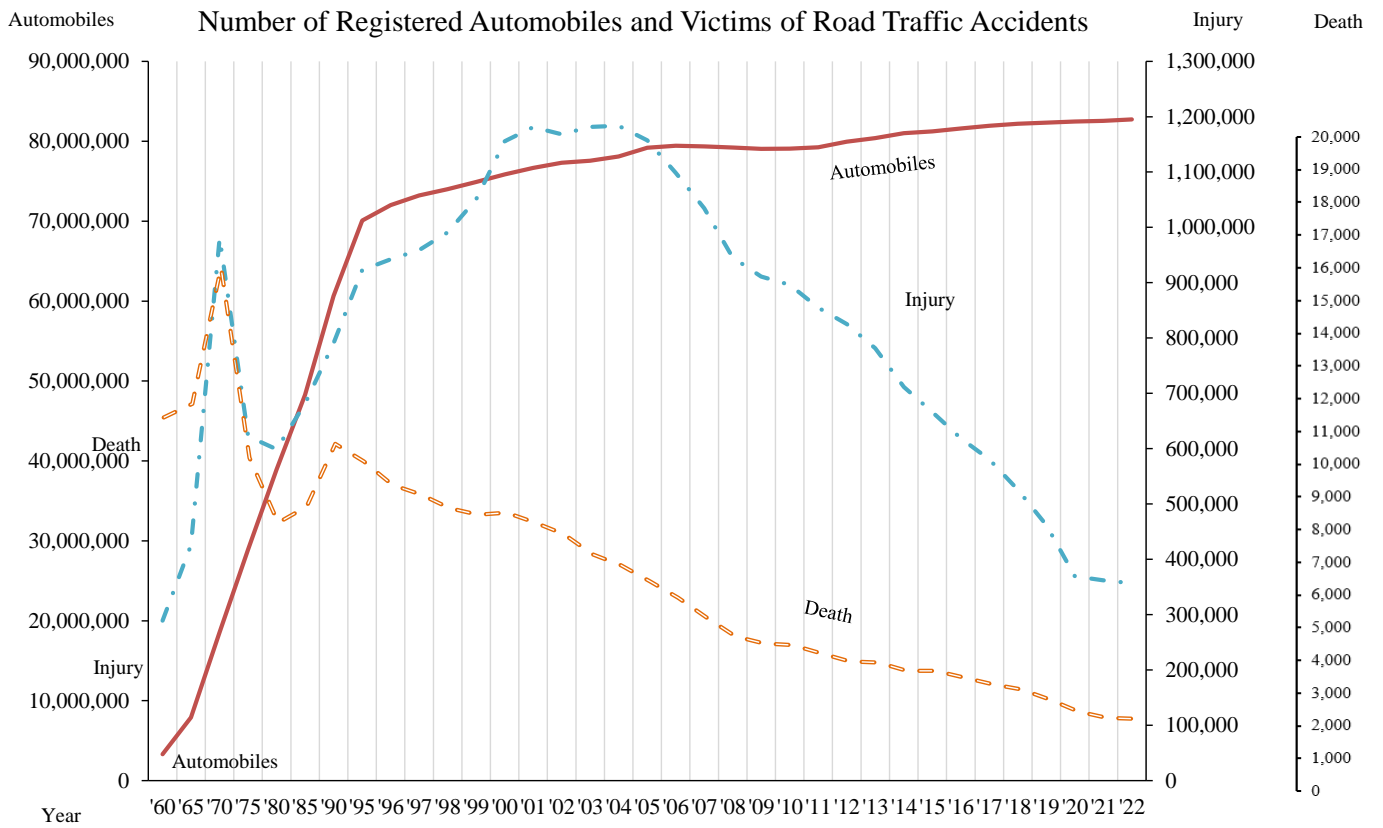
- Note 1. Awards of Damages consist of the amount of damage and attorney's fee. The former is the amount of damages before deduction in accordance with comparative negligence and/or before deduction of insurance claims recoverable under the Compulsory Automobile Liability Insurance, etc.
2. D represents death. PD represents permanent disability.
3. M and F represent Male and Female, respectively.
4. Sources: Hoken Mainichi Shinbun [2014]; Jidousya-Hoken Journal Corporation[2017, 2022]; Tort Law Association [2001]

8. Number of Registered Automobiles and Victims of Road Traffic Accidents

Year	Registered Automobiles		Number of Traffic Accident Victims				Number of Victims per 1,000 Automobiles			
	Number	Index	Injury		Death		Injury		Death	
			Number	Index	Number	Index	Number	Index	Number	Index
1960	3,302,072	100	289,156	100	12,055	100	87.6	100.0	3.65	100.0
1965	7,897,499	239	425,666	147	12,484	104	53.9	61.5	1.58	43.3
1970	18,586,503	563	981,096	339	16,765	139	52.8	60.3	0.90	24.7
1975	28,934,020	876	622,467	215	10,792	90	21.5	24.5	0.37	10.1
1980	38,938,996	1,179	598,719	207	8,760	73	15.4	17.6	0.22	6.0
1985	48,268,232	1,462	681,346	236	9,261	77	14.1	16.1	0.19	5.2
1990	60,650,629	1,837	790,295	273	11,227	93	13.0	14.8	0.19	5.2
1995	70,073,544	2,122	922,677	319	10,684	89	13.2	15.1	0.15	4.1
1996	72,030,003	2,181	942,204	326	9,943	82	13.1	15.0	0.14	3.8
1997	73,218,535	2,217	958,925	332	9,642	80	13.1	15.0	0.13	3.6
1998	74,009,080	2,241	990,676	343	9,214	76	13.4	15.3	0.12	3.3
1999	74,914,679	2,269	1,050,399	363	9,012	75	14.0	16.0	0.12	3.3
2000	75,864,710	2,298	1,155,707	400	9,073	75	15.2	17.4	0.12	3.3
2001	76,664,286	2,322	1,181,039	408	8,757	73	15.4	17.6	0.11	3.0
2002	77,304,313	2,341	1,168,029	404	8,396	70	15.1	17.2	0.11	3.0
2003	77,580,658	2,350	1,181,681	409	7,768	64	15.2	17.4	0.10	2.7
2004	78,091,097	2,365	1,183,616	409	7,425	62	15.2	17.4	0.09	2.5
2005	79,207,207	2,399	1,157,115	400	6,927	57	14.6	16.7	0.09	2.5
2006	79,452,557	2,406	1,098,566	380	6,403	53	13.8	15.8	0.08	2.2
2007	79,371,014	2,404	1,034,653	358	5,782	48	13.0	14.8	0.07	1.9
2008	79,236,532	2,400	945,703	327	5,197	43	11.9	13.6	0.07	1.9
2009	79,042,056	2,394	911,215	315	4,968	41	11.5	13.1	0.06	1.6
2010	79,091,536	2,395	896,294	310	4,922	41	11.3	12.9	0.06	1.6
2011	79,241,738	2,400	854,610	296	4,663	39	10.8	12.3	0.06	1.6
2012	79,965,203	2,422	825,396	285	4,411	37	10.3	11.8	0.06	1.6
2013	80,411,439	2,435	781,494	270	4,373	36	9.7	11.1	0.05	1.4
2014	81,009,554	2,453	711,374	246	4,113	34	8.8	10.0	0.05	1.4
2015	81,246,351	2,460	666,023	230	4,117	34	8.2	9.4	0.05	1.4
2016	81,602,046	2,471	618,853	214	3,904	32	7.6	8.7	0.05	1.4
2017	81,946,036	2,482	580,850	201	3,694	31	7.1	8.1	0.05	1.4
2018	82,192,828	2,489	525,846	182	3,532	29	6.4	7.3	0.04	1.1
2019	82,341,762	2,494	461,775	160	3,215	27	5.6	6.4	0.04	1.1
2020	82,471,678	2,498	369,476	128	2,839	24	4.5	5.1	0.03	0.8
2021	82,565,091	2,500	362,131	125	2,636	22	4.4	5.0	0.03	0.8
2022	82,739,619	2,506	356,601	123	2,610	22	4.3	4.9	0.03	0.8

Note 1. Figures of and before 1970 do not include those of Okinawa Prefecture.

2. Number of Registered Automobiles represents the number of registered automobiles excluding motorized bicycles as of the end of each calendar year. (Source: Automobile Inspection & Registration Information Association website)
3. Injury includes permanent disability.
4. Number of Death represents the number of those who died within twenty four hours of accidents occurred during each calendar year.
5. Source of Number of Traffic Accident Victims: Institute for Traffic Accident Research and Data Analysis website



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Automobile Insurance in Japan

2024年10月発行

発行 損害保険料率算出機構（損保料率機構）

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