

# Announcement on Filing of Revised Standard Full Rates of Earthquake Insurance

(Filing to the Commissioner of the Financial Services Agency, dated June 10, 2021)

General Insurance Rating Organization of Japan (GIROJ) filed the revised Standard Full Rates of the earthquake insurance to the Commissioner of the Financial Services Agency, dated June 10, 2021. Details of the filing are as follows:

## 1. Outline of Filing

- 1) The basic rates of the earthquake insurance are to be reduced by a national average of 0.7%<sup>\*1</sup>. Depending on the location and construction class of the building, the basic rates may be increased or decreased. (Highest rate of increase: +29.9%; highest rate of decrease: -47.2%)
- 2) The lump-sum discount factors for long-term contracts are to be revised (revision of long-term coefficients).

Regarding the words with ★, refer to the keyword section on page 4. The same applies below.

\*1 The rate of revision (national average reduction of 0.7%) above is an average of the rates for all the contract term combinations (building location, construction class, etc.). The rate of revision differs in accordance to the contract terms as shown in the “Reference: Sample Insurance Rates” on Page 6.

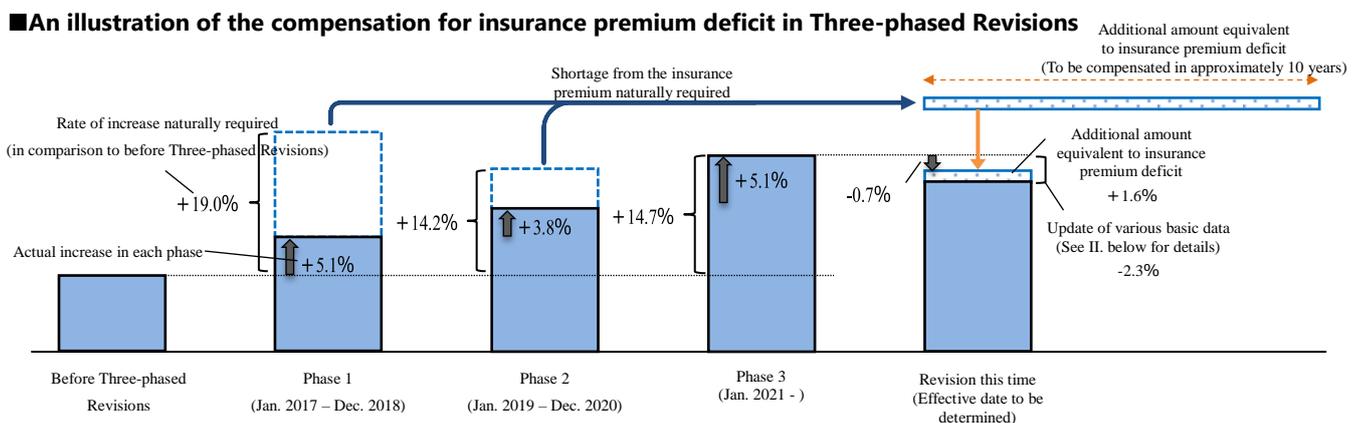
## 2. Key background factors and points for revision

### 1) Revision of basic rates

#### I. Compensation of insurance premium deficit in Three-phased Revisions (national average increase of +1.6%)

The level of the earthquake insurance rate was revised upward in three phases from January 2017 (the “Three-phased Revisions”). This measure was aimed at increasing the insurance premium level in phases to gradually approach the level that is required naturally. The insurance premium deficit continued generating during the period which the rate approached the required level. Therefore, the plan was to add an amount that is equivalent to the deficit to the insurance premium, after the Three-phased Revisions (a policy based on the discussions at the follow-up meeting of the “Project Team for the Earthquake Insurance System,” a council of advisers to the Ministry of Finance, which was held prior to the implementation of the Three-phased Revisions).

Based on this policy, the resent revision added an amount equivalent to the insurance premium deficit to the basic rates, which resulted in a national average increase of 1.6%. The addition of premium is expected to last approximately 10 years (see the figure below).



## II. Update of various basic data (national average decrease of -2.3%)

Various data that form the basis of calculation of insurance rates, such as Event Catalog, ground data, Housing and Land Survey data, and earthquake insurance contract data are updated.

GIROJ uses Event Catalog that was developed by the Headquarters for Earthquake Research Promotion (the “Earthquake Headquarters”) which is used for preparing the Probabilistic Seismic Hazard Map (the “Hazard Map”). Following the updated Event Catalog on the FY2020 Hazard Map (published on March 26, 2021), the frequency of earthquakes nationwide increased which resulted in an increase in the premium rates. In contrast, the updated ground data, Housing and Land Survey data, and earthquake insurance contract data reduced the insurance rates owing to the revision of the evaluation method by the Earthquake Headquarters and the increasing popularity of highly earthquake-proof houses. The combined effect of revisions in various basic data results in an average reduction of 2.3% in the basic rates.

## III. Revision of basic rates by location and construction class

### a. Increase of basic rates to terminate a sudden change alleviation measure

When revising the basic rates, a temporary measure (sudden change alleviation measure) is implemented on a prefecture-by-prefecture basis to cap the increase in the basic rates so that the insurance premium payable by policyholders will not increase drastically. Such measures were implemented prior to the Three-phased Revision. Further, at the time of the Three-phased Revisions, the sudden change alleviation measure was implemented to cap the increase in the basic rates at 50% for the three phases for five prefectures: Fukushima, Ibaraki, Saitama, Tokushima and Kochi.

In the recent revision, the basic rates of these five prefectures, which were set at a level lower than that naturally required, were raised. However, a measure to cap the increase at 30% was implemented again, for construction class A buildings in Ibaraki, Saitama, Tokushima and Kochi prefectures, so that the insurance premium payable by policyholders would not increase drastically, whereas the basic rates would, otherwise, be raised drastically.

#### ■ Before revision (sudden change alleviation measure in Three-phased Revisions)

	Construction class A	Construction class B
Prefectures where a sudden change alleviation measure was implemented (Maximum increase of 50% through three phases)	Fukushima, Ibaraki, Saitama, Tokushima and Kochi	Fukushima, Ibaraki, Saitama, Tokushima and Kochi

#### ■ After revision (recent sudden change alleviation measures)

	Construction class A	Construction class B
Prefectures where a sudden change alleviation measure was implemented (Maximum increase of 30%)	Ibaraki, Saitama, Tokushima and Kochi (+29.9%)	NA
[Prefectures where sudden change alleviation measure is no longer applicable]	[Fukushima (+19.6%)]	[Fukushima (±0%), Ibaraki and Saitama (+12.3%), Tokushima and Kochi (-1.7%)]

### b. Reduction in basic rates owing to the revision of zone

The zone classification of Oita Prefecture has shifted from Zone 2 to Zone 1, resulting in a reduction in the basic rates. This is because the risk of earthquake insurance is expected to decrease after updating various basic data.

#### IV. Largest percentage increase/decrease

The table below shows the largest percentage increase/decrease in consideration of items I to III.

■ (By construction class) Largest percentage increase/decrease

	Construction class A	Construction class B
Largest percentage increase	+29.9% (Ibaraki, Saitama, Tokushima and Kochi )	+12.3% (Ibaraki and Saitama)
Largest percentage decrease	-38.1% (Oita)	-47.2% (Oita)

## 2) Revision of long-term coefficients

The lump-sum discount factors for long-term contracts (policy period of 2 to 5 years)<sup>\*2</sup> of the earthquake insurance are to be revised. The expected interest rates, which are used to calculate the discounts, were reviewed in consideration of the recent interest rate situations. Consequently, while the discount rates for contracts with a policy period of 2 to 4 years remain the same, those for 5-year contracts will change from 7.0% to 6.0%.

■ Long-term coefficient (coefficient multiplied by insurance premium for a one-year contract)

Policy period	Two years	Three years	Four years	Five years
Current coefficients	1.90 (5.0%)	2.85 (5.0%)	3.75 (6.3%)	4.65 (7.0%)
Filed coefficients	No change			4.70 (6.0%)

Figures in parentheses are the discount rates.

\*2 The maximum policy period for the earthquake insurance is 5 years.

**Keyword 1** Relationship between Standard Full Rates and basic rates for earthquake insurance

Standard Full Rates of the earthquake insurance are calculated from the “basic rates,” “discount rates” and “long-term coefficients” using the following formula:

$$\text{Standard Full Rates} = \text{Basic rates} \times \text{Discount rates} \times \text{Long-term coefficients}$$

**Basic rates:** The rates before being multiplied with the discount rates and/or long-term coefficients<sup>\*3</sup>. The basic rates vary by location (prefecture) and construction class (construction class A or construction class B).

\*3: Includes transitional measures. At the time of the revision in January 2010, some of the contracts were revised from construction class A to construction B. A transitional measure was established, so that the insurance premium is lower than the original insurance premium for construction class B buildings, to prevent a drastic increase in the insurance premium.

**Discount rates:** Discount factors applicable to buildings with high seismic performance. Discount rates vary by construction age and seismic performance.

**Long-term coefficients:** Coefficients used to calculate the lump-sum premiums for contracts with policy periods of 2 to 5 years. The long-term coefficients are calculated while taking into consideration factors such as the operational costs for contracting procedures that are not incurred in or after the second year of the contracts and the trend of the interest rates (assumed interest rates) for the operation. Long-term coefficients vary by policy period (from 2 to 5 years).

**Keyword 2** Follow-up meeting of the “Project Team for Earthquake Insurance System”

To re-examine the earthquake insurance system following the 2011 Great East Japan Earthquake, the “Project Team for the Earthquake Insurance System,” a council of advisers, was established under the Ministry of Finance in April 2012 and its report was published in November of the same year.

To check the status of the response measures identified in the report, the follow-up meetings had been held from November 2013; the summary of the meetings was published in June 2015.

\*4 [https://www.mof.go.jp/about\\_mof/councils/jisinpt\\_fu/report/index.html](https://www.mof.go.jp/about_mof/councils/jisinpt_fu/report/index.html) (Japanese text only)

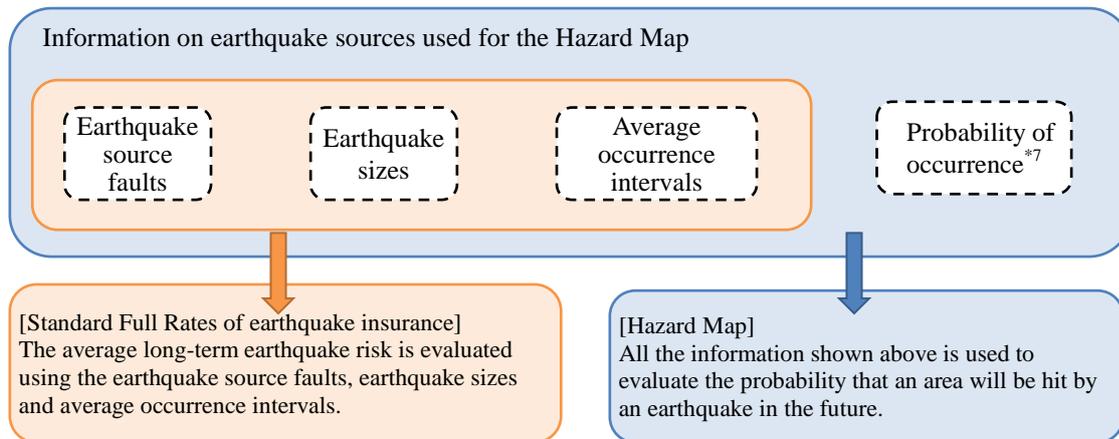
**Keyword 3** Event Catalog

Event Catalog contains data on earthquakes that have occurred in or around Japan<sup>\*5</sup>, and is used by the Headquarters for Earthquake Research Promotion under the Ministry of Education, Culture, Sports, Science and Technology for preparing the Probabilistic Seismic Hazard Map (the “Hazard Map”). The data are fundamental in calculating the basic rates.

The Event Catalog data are available on the website<sup>\*6</sup> of the National Research Institute for Earth Science and Disaster Resilience, which also prepares the Hazard Map and conducts its technical review.

\*5 While preparing the Hazard Map, information on earthquake sources such as earthquake source faults, earthquake sizes, average occurrence intervals and the probability of occurrence is used. However, earthquake source faults, earthquake sizes and average occurrence intervals are used to calculate Standard Full Rates of the earthquake insurance, but the occurrence probability is not used.

This is because the Hazard Map evaluates the probability of an earthquake in the future for each area, such as “the probability that the area will be hit by an earthquake of a seismic intensity 6 lower or more in the next 30 years.” On the other hand, Standard Full Rates of the earthquake insurance evaluate the average long-term earthquake risk to balance the revenue and expenses on a long-term basis.



\*6 National Research Institute for Earth Science and Disaster Resilience (Japan Seismic Hazard Information Station): <https://www.j-shis.bosai.go.jp/en/>

\*7 For some earthquakes, the probability changes depending on the elapsed time from the previous occurrence.

### 3. Indicated rate change in basic rates and long-term coefficients

#### ◆ Basic rates (per insured amount of 1,000 yen)

Prefecture	Construction Class	Construction class A			Construction class B					
		Current rate (yen)	Filed rate (yen)	Indicated rate change	Current rate (yen)	Filed rate (yen)	Indicated rate change	Rates with a transitional measure*8		
								Current rate (yen)	Filed rate (yen)	Indicated rate change
Hokkaido		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Aomori		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Iwate		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Miyagi		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	1.63	<b>1.95</b>	+19.6%
Akita		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Yamagata		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Fukushima		0.97	<b>1.16</b>	+19.6%	1.95	<b>1.95</b>	±0.0%	1.26	<b>1.63</b>	+29.4%
Ibaraki		1.77	<b>2.30</b>	+29.9%	3.66	<b>4.11</b>	+12.3%	2.29	<b>2.97</b>	+29.7%
Tochigi		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Gunma		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Saitama		2.04	<b>2.65</b>	+29.9%	3.66	<b>4.11</b>	+12.3%	2.64	<b>3.43</b>	+29.9%
Chiba		2.75	<b>2.75</b>	±0.0%	4.22	<b>4.11</b>	-2.6%	3.93	<b>4.11</b>	+4.6%
Tokyo		2.75	<b>2.75</b>	±0.0%	4.22	<b>4.11</b>	-2.6%	3.93	<b>4.11</b>	+4.6%
Kanagawa		2.75	<b>2.75</b>	±0.0%	4.22	<b>4.11</b>	-2.6%	3.93	<b>4.11</b>	+4.6%
Niigata		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Toyama		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Ishikawa		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Fukui		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Yamanashi		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	1.63	<b>1.95</b>	+19.6%
Nagano		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Gifu		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Shizuoka		2.75	<b>2.75</b>	±0.0%	4.22	<b>4.11</b>	-2.6%	3.93	<b>4.11</b>	+4.6%
Aichi		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	2.12	<b>1.95</b>	-8.0%
Mie		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	2.12	<b>1.95</b>	-8.0%
Shiga		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Kyoto		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Osaka		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	2.12	<b>1.95</b>	-8.0%
Hyogo		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Nara		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Wakayama		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	2.12	<b>1.95</b>	-8.0%
Tottori		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Shimane		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Okayama		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Hiroshima		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Yamaguchi		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Tokushima		1.77	<b>2.30</b>	+29.9%	4.18	<b>4.11</b>	-1.7%	2.29	<b>2.97</b>	+29.7%
Kagawa		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	1.63	<b>1.95</b>	+19.6%
Ehime		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	2.12	<b>1.95</b>	-8.0%
Kochi		1.77	<b>2.30</b>	+29.9%	4.18	<b>4.11</b>	-1.7%	2.29	<b>2.97</b>	+29.7%
Fukuoka		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Saga		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Nagasaki		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Kumamoto		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Oita		1.18	<b>0.73</b>	-38.1%	2.12	<b>1.12</b>	-47.2%	1.63	<b>1.12</b>	-31.3%
Miyazaki		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	1.63	<b>1.95</b>	+19.6%
Kagoshima		0.74	<b>0.73</b>	-1.4%	1.23	<b>1.12</b>	-8.9%	1.23	<b>1.12</b>	-8.9%
Okinawa		1.18	<b>1.16</b>	-1.7%	2.12	<b>1.95</b>	-8.0%	1.63	<b>1.95</b>	+19.6%

#### ◆ Long-term coefficients

Policy period		Two years	Three years	Four years	Five years
Long-term coefficients	Current coefficients	1.90	2.85	3.75	4.65
	Filed coefficients	<b>1.90</b>	<b>2.85</b>	<b>3.75</b>	<b>4.70</b>

\*8 As was the case in the previous revision, a measure was established to near the original insurance premium for construction class B buildings.

**Reference: Sample insurance premiums (insurance coverage: 10 mil. yen; no discount\*<sup>9</sup>; policy period: 1 year)**

Construction class	Construction class A			Construction class B						
	Prefecture	Current premium (yen)	Filed premium (yen)	Change (yen)	Current premium (yen)	Filed premium (yen)	Change (yen)	Premium with a transitional measure		
								Current premium (yen)	Filed premium (yen)	Change (yen)
Hokkaido	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Aomori	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Iwate	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Miyagi	11,800	11,600	-200	21,200	19,500	-1,700	16,300	19,500	+3,200	
Akita	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Yamagata	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Fukushima	9,700	11,600	+1,900	19,500	19,500	±0	12,600	16,300	+3,700	
Ibaraki	17,700	23,000	+5,300	36,600	41,100	+4,500	22,900	29,700	+6,800	
Tochigi	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Gunma	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Saitama	20,400	26,500	+6,100	36,600	41,100	+4,500	26,400	34,300	+7,900	
Chiba	27,500	27,500	±0	42,200	41,100	-1,100	39,300	41,100	+1,800	
Tokyo	27,500	27,500	±0	42,200	41,100	-1,100	39,300	41,100	+1,800	
Kanagawa	27,500	27,500	±0	42,200	41,100	-1,100	39,300	41,100	+1,800	
Niigata	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Toyama	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Ishikawa	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Fukui	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Yamanashi	11,800	11,600	-200	21,200	19,500	-1,700	16,300	19,500	+3,200	
Nagano	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Gifu	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Shizuoka	27,500	27,500	±0	42,200	41,100	-1,100	39,300	41,100	+1,800	
Aichi	11,800	11,600	-200	21,200	19,500	-1,700	21,200	19,500	-1,700	
Mie	11,800	11,600	-200	21,200	19,500	-1,700	21,200	19,500	-1,700	
Shiga	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Kyoto	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Osaka	11,800	11,600	-200	21,200	19,500	-1,700	21,200	19,500	-1,700	
Hyogo	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Nara	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Wakayama	11,800	11,600	-200	21,200	19,500	-1,700	21,200	19,500	-1,700	
Tottori	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Shimane	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Okayama	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Hiroshima	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Yamaguchi	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Tokushima	17,700	23,000	+5,300	41,800	41,100	-700	22,900	29,700	+6,800	
Kagawa	11,800	11,600	-200	21,200	19,500	-1,700	16,300	19,500	+3,200	
Ehime	11,800	11,600	-200	21,200	19,500	-1,700	21,200	19,500	-1,700	
Kochi	17,700	23,000	+5,300	41,800	41,100	-700	22,900	29,700	+6,800	
Fukuoka	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Saga	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Nagasaki	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Kumamoto	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Oita	11,800	7,300	-4,500	21,200	11,200	-10,000	16,300	11,200	-5,100	
Miyazaki	11,800	11,600	-200	21,200	19,500	-1,700	16,300	19,500	+3,200	
Kagoshima	7,400	7,300	-100	12,300	11,200	-1,100	12,300	11,200	-1,100	
Okinawa	11,800	11,600	-200	21,200	19,500	-1,700	16,300	19,500	+3,200	

\*<sup>9</sup> Discount applicable to buildings with high seismic performance. The rates vary by construction age and seismic performance. There are four types of discounts: discount for seismic isolated buildings, discount according to the earthquake resistance class of the

**Reference: Sample insurance premiums (insurance coverage: 10 mil. yen; no discount<sup>\*10</sup>; policy period: 5 years)**

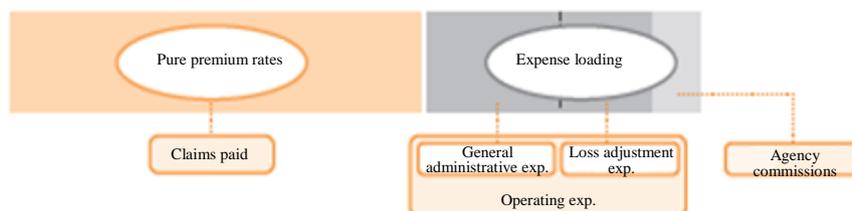
Construction class Prefecture	Construction class A			Construction class B					
	Current premium (yen)	Filed premium (yen)	Change (yen)	Current premium (yen)	Filed premium (yen)	Change (yen)	Premium with a transitional measure		
							Current premium (yen)	Filed premium (yen)	Change (yen)
Hokkaido	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Aomori	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Iwate	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Miyagi	54,900	54,500	-400	98,600	91,700	-6,900	75,800	91,700	+15,900
Akita	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Yamagata	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Fukushima	45,100	54,500	+9,400	90,700	91,700	+1,000	58,600	76,600	+18,000
Ibaraki	82,300	108,100	+25,800	170,200	193,200	+23,000	106,500	139,600	+33,100
Tochigi	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Gunma	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Saitama	94,900	124,600	+29,700	170,200	193,200	+23,000	122,800	161,200	+38,400
Chiba	127,900	129,300	+1,400	196,200	193,200	-3,000	182,700	193,200	+10,500
Tokyo	127,900	129,300	+1,400	196,200	193,200	-3,000	182,700	193,200	+10,500
Kanagawa	127,900	129,300	+1,400	196,200	193,200	-3,000	182,700	193,200	+10,500
Niigata	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Toyama	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Ishikawa	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Fukui	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Yamanashi	54,900	54,500	-400	98,600	91,700	-6,900	75,800	91,700	+15,900
Nagano	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Gifu	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Shizuoka	127,900	129,300	+1,400	196,200	193,200	-3,000	182,700	193,200	+10,500
Aichi	54,900	54,500	-400	98,600	91,700	-6,900	98,600	91,700	-6,900
Mie	54,900	54,500	-400	98,600	91,700	-6,900	98,600	91,700	-6,900
Shiga	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Kyoto	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Osaka	54,900	54,500	-400	98,600	91,700	-6,900	98,600	91,700	-6,900
Hyogo	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Nara	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Wakayama	54,900	54,500	-400	98,600	91,700	-6,900	98,600	91,700	-6,900
Tottori	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Shimane	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Okayama	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Hiroshima	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Yamaguchi	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Tokushima	82,300	108,100	+25,800	194,400	193,200	-1,200	106,500	139,600	+33,100
Kagawa	54,900	54,500	-400	98,600	91,700	-6,900	75,800	91,700	+15,900
Ehime	54,900	54,500	-400	98,600	91,700	-6,900	98,600	91,700	-6,900
Kochi	82,300	108,100	+25,800	194,400	193,200	-1,200	106,500	139,600	+33,100
Fukuoka	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Saga	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Nagasaki	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Kumamoto	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Oita	54,900	34,300	-20,600	98,600	52,600	-46,000	75,800	52,600	-23,200
Miyazaki	54,900	54,500	-400	98,600	91,700	-6,900	75,800	91,700	+15,900
Kagoshima	34,400	34,300	-100	57,200	52,600	-4,600	57,200	52,600	-4,600
Okinawa	54,900	54,500	-400	98,600	91,700	-6,900	75,800	91,700	+15,900

\*10 Discount applicable to buildings with high seismic performance. The rates vary by construction age and seismic performance. There are four types of discounts: discount for seismic isolated buildings; discount according to the earthquake resistance class of the building, discount for earthquake resistance diagnosis, and discount according to construction age.

### <Outline of Standard Full Rates of earthquake insurance>

The Standard Full Rates for earthquake insurance are composed of the “pure premium rates” and “expense loading.” Pure premium rates correspond to insurance claims paid by insurance companies when accidents occur. Expense loading comprises the “operating expenses” allocated for loss adjustment, administrative work for contracts and so on, and “agency commissions” paid by insurance companies to agencies for providing service of contracting insurance policies.

Basically, in general insurance, expense loading includes profits. However, in the case of the earthquake insurance, the profits are not included, because it is of a highly public nature and is jointly managed by the government and insurance companies.



The member insurance companies of GIROJ may use the Standard Full Rates as their own premium rates. Currently, all the member insurers of GIROJ use the Standard Full Rates.

### <Filing of Standard Full Rates of earthquake insurance>

GIROJ calculates Standard Full Rates for earthquake insurance and files them to the Commissioner of the Financial Services Agency under the Act on Non-Life Insurance Rating Organization of Japan. The Commissioner examines the rates in accordance with the three principles of insurance premium rates (i.e., reasonable, adequate, and not unfairly discriminatory).

Interested parties, such as policyholders and insured, may object to filed rates. They have the right to appeal against the Commissioner of the Financial Services Agency.