

Introduction of the Policyholder Protection Rules for Unregulated Kyosai

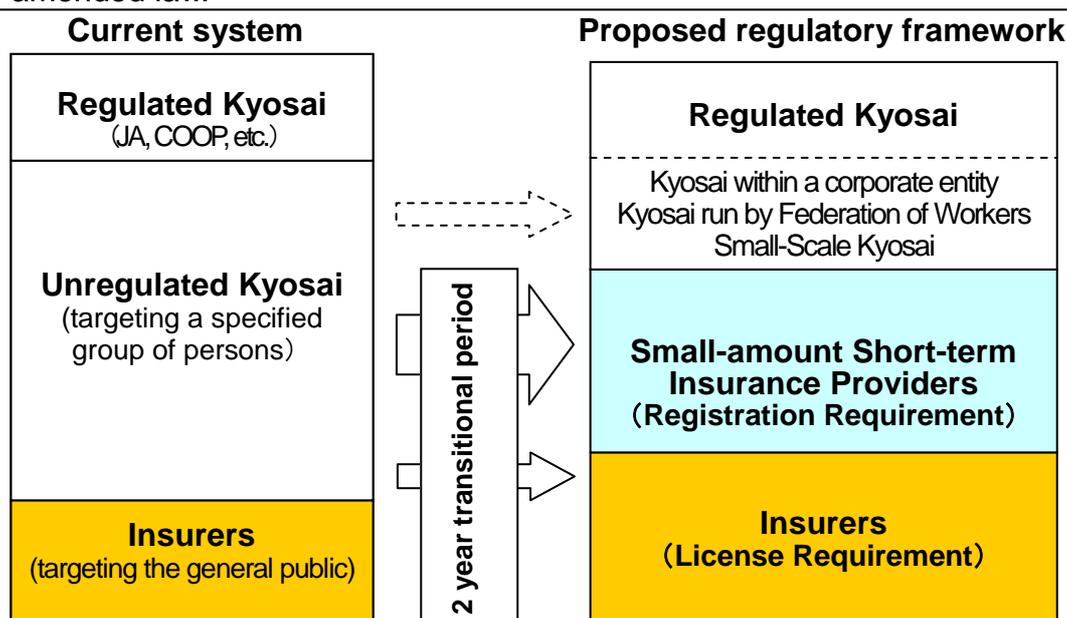
Current Situation

- The Insurance Business Law regulates insurance businesses which underwrite insurance for “the general public”.
- Unrestricted entities, undertaking quasi-insurance business for “a specified group of persons” are not subject to any regulation and there is no authority to supervise them.



Proposed Amendment

- Amend the scope of the Insurance Business Law to cover businesses which underwrite insurance for a specified group of persons.
- Create a regulatory framework imposing registration requirements on businesses of a limited scale which underwrite small-amount short-term insurance only. (“small-amount short-term insurance provider”)
- Take necessary measures, including setting of a two-year transitional period, for unregulated entities which are currently in operation.
- Review the regulatory framework for small-amount short-term insurance providers to take necessary measures in 5 years after implementing the amended law.



	Small-amount Short-term Insurance Provider	Insurer
Requirement on entry	Registration (subject to the Authorities' consent)	License
Minimum capital	Approx. 10 million yen* (plus certain deposit)	1 billion yen
Product	Limited to small-amount short-term insurance without saving feature	Unlimited (including large-amount, long-term, and/or with saving feature)
Investment	Safe investment (deposits and government bonds)	Unlimited in principle (corporate stocks, real estate, loans, etc.)
Others	disclosure, regulation for market conduct, technical provision, on-site inspection, supervision, etc.	

* The amount is to be provided in the Enforcement Order of the Insurance Business Law.