

# Small Amount and Short Term Insurance in Japan

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# 1. Background of small amount and short-term insurance

## ■ May 2005 Insurance Act Amendment,

- A part of mutual insurance was applied, and **the concept of a “small amount and short-term insurance business” was newly created.** Considering the difference between insurance business entities, to apply regulations that are gentler than insurance companies.
- As the number of **unlicensed mutual insurance without a grounds law increased**, improper operation by some businesses became a social problem, and appropriate regulations based on the Insurance Business Act were required from the viewpoint of “**consumers protection**”.
- **The survey conducted in April 2004**, and “ a report on the results of the survey on mutual insurance without grounds law”. Investigating mutual aid by 166 voluntary organizations, etc., 85 corporate mutual aid, and 119 public interest corporations, etc., and administrative issues that are considered from the viewpoint of consumer protection.
- The most important point is that **through the introduction of “small amount and short-term insurance business” mutual insurance was regulated** and to protect policyholders by information disclosure and from the lack of explanation by agencies, etc.
- From 389 mutual aid organizations without grounds laws. As of November 17, 2008, a total of **53 companies and organizations(34 transferred and 19 new established) have registered** as small and short-term insurers nationwide. In addition, shifted to insurance companies, including **one non-life insurance** company and **two life insurance** companies.

## ■ Mutual cooperatives with a grounds law

- Excluded in the revision of the insurance business law, There are mutual insurance with the grounds law includes JA mutual insurance , all workers' aid, prefectural people mutual aid, CO/OP mutual aid, etc. (**see Table 1 for details**). Each of these has a law regulating mutual cooperatives , and the supervisory authority is not the Financial Services Agency.
- Under the Insurance Law, which **was amended in June 2008**, the mutual insurance contracts also had the **insurance law applied**.

## 2. Regulation of small amount and short-term insurance

Entry into the small and short-term insurance business	<ul style="list-style-type: none"> <li>• Within 2 years of the insurance period,</li> <li>• <b>Insured amount in which the amount of insurance does not exceed 10 million yen</b> (Article 2, Paragraph 17 of the Insurance Business Act)</li> <li>• Registered both life insurance and non-life insurance</li> <li>• <b>Minimum fund 10 million yen (insurance company 1 billion yen)</b></li> <li>• Company trade names and names are not regulated.</li> <li>• <b>Yearly Income premiums : Under 5 billion yen</b></li> </ul>
Products	<ul style="list-style-type: none"> <li>• Limited to small amounts, short-term, and protection (disposable)</li> <li>• <b>Insurance period: Non-life 2 years      Life insurance, 3rd sector; 1year</b></li> <li>• endowment insurance, foreign currency insurance, reinsurance cannot be approved</li> <li>• Simplification of product screening</li> </ul>
Scope of business	<ul style="list-style-type: none"> <li>• Vocational business is basic</li> <li>• The asset management is limited. Deposits and government bonds etc.</li> </ul>
Accountings	<ul style="list-style-type: none"> <li>• Same reserve obligations as insurance companies</li> </ul>
Sales channels	<ul style="list-style-type: none"> <li>• Small and short-term insurance agencies are the same as insurance companies</li> </ul>
Supervision and inspection of the Financial Services Agency	<ul style="list-style-type: none"> <li>• Supervision guidelines for small and short-term insurers {MOF is included}</li> </ul>

※ Summary from Koichi Otani (ed.), Masahiko Ezawa, Hongmu Lee, Takeshi Tsuchida, Satoshi Nakata, [Theory of Insurance], Seibundo, April 20, 2020 (see table 2 ; comparison b/w insurers)

### 3. Current Status of Small Amount and Short-Term Insurance

(Japan SSI Association announced its financial results for the small and short-term insurance industry in fiscal 2019: see table 3 : the details of results.)

[results as of March 31, 2020]

Industry-wide financial results		Compared to the previous year	
No of policies	8,830,000	+ 520,000	106%
Income premiums	107.4billion Yen	+ 4.2billion Yen	104%
No. of companies	103	+ 2	

Number of policies		Compared to the previous year	
Homeowners	84%	7%	
Life insurance Medical cover	5%	3%	
Pet insurance	6%	-9%	
Cost insurance and others	5%	17%	

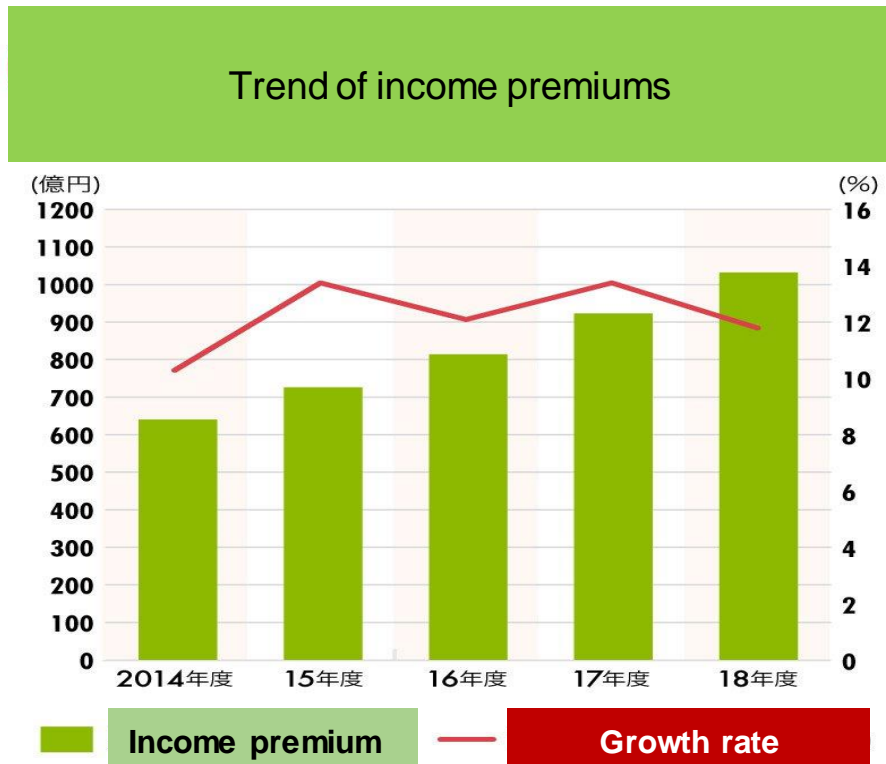
Types of Premium Income		Compared to the previous year	
Homeowners	68%	7%	
Life insurance medical cover	12%	12%	
Pet insurance	13%	-16%	
Cost insurance and others	7%	11%	

*※ pet insurance small and short-term insurance companies made it a one-company non-life insurance company, which affected the overall number of contracts and the rate of increase in income insurance premiums, but the growth of the entire industry*

## 4. Development of small amount and short-term insurance market

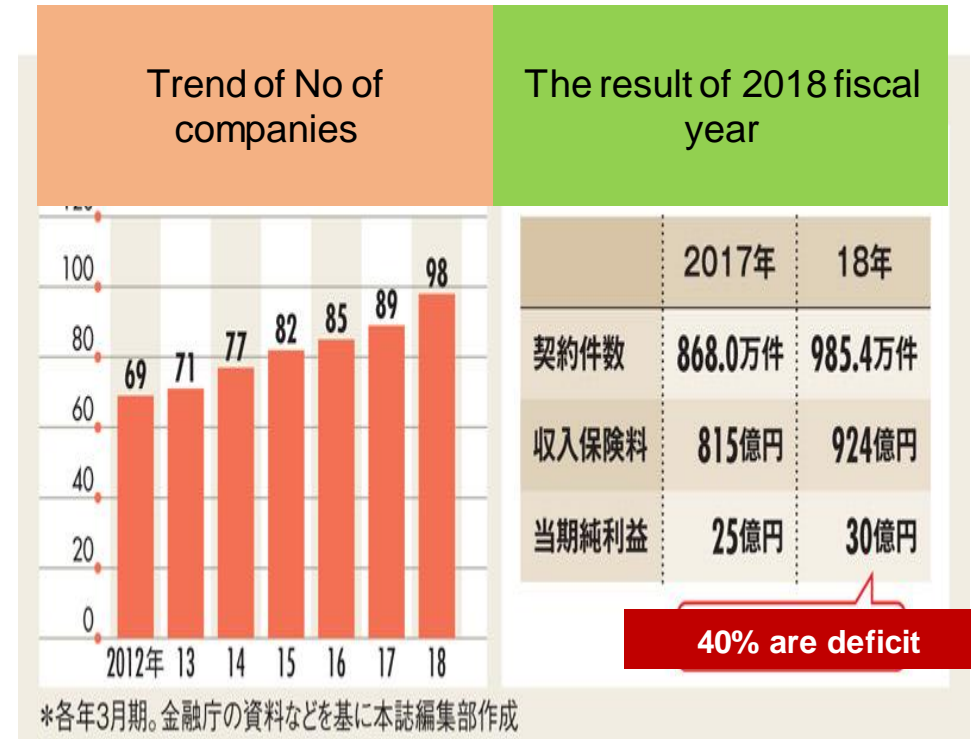
The small-amount and short-term insurance market, known as "mini insurance," **exceeded 100 billion yen in fiscal 2018** on an income insurance premium basis. The number of businesses has increased to **103 in 2020** due to a series of new entrants from different industries.

While the establishment is easy, the fact is that struggling to establish a distribution channels that continuously earns customers. Therefore, according to financial results announcements, about **40% of insurers are in the final deficit**. The industry's major challenge is that many companies have problems in terms of financial soundness.



DIAMOND

From : Diamond Insurance 2020.6.15



From Weekly Diamond 2018.10.16

## 5. Characteristic recent trends in Japan's small amount and short-term insurance industry

<p>Entry from "types of industry such as parent company" that were many at the time of the beginning</p>	<ul style="list-style-type: none"> <li>✓ <b>Real estate-related business</b> provide compensation in the homeowners and new type insurance fields such as household compensation, tenant liability, personal liability,</li> <li>✓ <b>Ceremonial occasions business</b> (mainly in the funeral hall) relieve the risk selection at the time of new enrollment. For example, funeral insurance can be contracted in old age up to 89 years old, renewal period: until 99 years old</li> </ul>
<p>Entry from "types of industry such as parent company" that were not at the time of the beginning</p>	<ul style="list-style-type: none"> <li>✓ Parent companies engaged in a variety of businesses (e.g., <b>medical care, nursing care, travel, insurance agents, statistical data analysis</b>, etc.)</li> <li>✓ <b>Plus insurance (2011)</b> provides characteristic insurance products that are in accordance with the actual conditions of nursing care sites, and which operates a <b>nursing care business</b>, and has the strength to provide compensation to the Group's nursing care facilities and service users.</li> <li>✓ <b>Health Age insurance (2016)</b>: Noritz, the parent company, is doing business in the environment, food, medical care, senior life, manufacturing, etc. JMDC medical data service provider, is doing partnering with multiple life insurance companies and providing various <b>health-related services</b> to health insurance associations and companies.</li> </ul>
<p>Independents, mainly those with insurance export</p>	<ul style="list-style-type: none"> <li>✓ There are several independent companies, some of CEOs are deeply involved in the establishment of small and short-term insurance companies, and with human resources who are well specialized in insurance operations at the top.</li> <li>✓ <b>Yell Insurance (2017)</b>: CEO is an expert in acting as an insurance accountant, consulting business for product development, consulting services for insurance business. Provide insurance to supplement attorneys' fees that are easy to join alone and can handle a wide range of cases, <b>making lawyer consultations more accessible</b>.</li> <li>✓ <b>justInCase (2018)</b> As an insur-tech startup company, "as an insurance platformer that utilizes technology, and provide an insurance experience in cooperation with large companies." Focus on collaboration and <b>consulting with insurance companies</b> and other small and short-term insurance companies</li> </ul>
<p>Entry of group companies with insurance companies</p>	<ul style="list-style-type: none"> <li>✓ <b>Tokio Marine Holdings</b> has made Tokio Marine Millea and Tokio Marine West (both companies provide non-life insurance to compensate renters for household goods, fixtures, liability, etc.), the involvement of insurance companies in becoming a subsidiary of small and short-term insurance companies, investing at a certain percentage, and reinsurance is common mainly in non-life insurance companies.</li> <li>✓ <b>SOMPO Holdings Group</b> develops life and non-life insurance business, nursing care and healthcare business, etc. As an initiative to create a new business model that captures the strategic use of digital technology and the change of business, "<b>Mysurance</b>" developed <b>LINE insurance</b></li> <li>✓ <b>Rakuten Group</b> has Internet services (internet sales, travel, etc.), financial services (cards, banks, securities, insurance, Edy, trusts, etc.), telecommunications business, etc. Group information allows a huge number of internet business users to become insurance customers, and having strengths in terms of sales channels utilizing IT technology, procedural innovations, customer data analysis, etc.</li> </ul>
<p>Other notable small and short-term insurance companies</p>	<ul style="list-style-type: none"> <li>✓ Product development of characteristic insurance products and alliance with major insurance company Group</li> <li>✓ <b>A/R insurance (2009)</b> The Company has been attracting attention in terms of products since before, such as providing "rental housing management cost insurance ("solitary death insurance") for landlords. also provide to <b>advice to organizations considering the establishment</b> of small and short-term insurance companies, etc..</li> </ul>

## 6. Background to growth and diversification of the small amount and short-term insurance

- **To be simpler regulations on entry** into the small and short-term insurance industry is in the current situation in which many businesses from various and diverse industries can enter (challenge).
- **Under the reason that the risks held are limited**, it is possible to develop and revise **flexible products**, and as a result, there are provided insurance products with characteristics and attractiveness that meet the needs.
- At the beginning, some small and short-term insurance companies were having a specific prospective and having a **strong sales channel** represented by insurance in the household goods field is the background to the actual growth. On the other hand, recently, the time has arrived when contract enrollment procedures can be completed with **smartphone apps and the web** due to technological innovation, and it is becoming an environment that is easy for companies that do not have strong sales channels such as agents to enter.
- Of the 97 companies in the Japan SSI Association's "Small and short-Term Insurance Guidebook Product List 2019", **42 (about 43%) are non-face-to-face channels centered on the Web as sales channels**
- There are companies with a **consultancy function that supports entry and operation** from other industries in small amount and short-term insurance, and specific contents of support are shown in a wide range of "creation of income and expenditure simulations at the entry examination stage", "various responses to the Finance Bureau until registration after the decision to enter the market (application documents and related documents creation)," "arrangements for product opening and re-insurance", and "actuarial and claim-related work after entry".

## 7. Current Status and Development of Small amount and Short-Term Insurance Products

- The small and short-term insurance companies under full maturation, are doing mainly non-life business **and 47 companies** about half of all.
- In response to the expansion of the market, Rakuten and Yamada Electric have recently acquired a small and short term, and new entrants of major companies have also been increased, such as the start of sales of **pet insurance** and homeowners insurance.
- There is compensation for "the cost of restoring the original form, the cost of organizing the remains, and the cost of reducing rent income, such as cleaning the room due to the death of a resident of a rental house developed by AIR insurance and provided by many insurers.
- Mysurance has been providing LINE insurance (October 2018), a service jointly developed with LINE Financial by Sompo Japan Nipponkoa. On the LINE app, and appeal for the ease of payment of insurance premiums with LINE Pay.
- Attorneys' Insurance Common Biz (business type) Attorneys' fees (consultation fees, start-ups, and compensation fees paid to lawyers) that are difficult to conclude a legal counsel contract in terms of cost burden provided by Yell Insurance.
- Smartphone insurance for repair costs such as screen cracking, submerge, damage, compensation for theft and loss provided by justInCase insurance.
- Ticket compensation: Insurance to compensate for tickets when you buy a ticket for a concert or sports, unable to attend the event due to sudden illness, injury, sudden business trip, or transportation delay provided by AWP Ticket Guard insurance.
- Insurance for foreigners living in Japan by VIVA VIDA medical life
- **In-hospital as-a-service cost compensation insurance** (In-hospital Anshin) For those who need help at the time of visiting the hospital, fully compensate for the service costs、 **Dementia diagnosis lump sum payment** when diagnosed dementia and continued for 90 days was developed by Plus insurance.
- **Health age-linked medical insurance** : Single Payment for hospitalization for treatment of five major lifestyle-related diseases partnered with JDMC
- **Long-term care improvement support insurance** ( 2017) Insurance that pays a congratulatory fee when the status classification of people who have received the need for support and long-term care certification of the public long-term care insurance system is improved. Initially, it will be offered as insurance exclusively for facility users of SOMPO Care Co.
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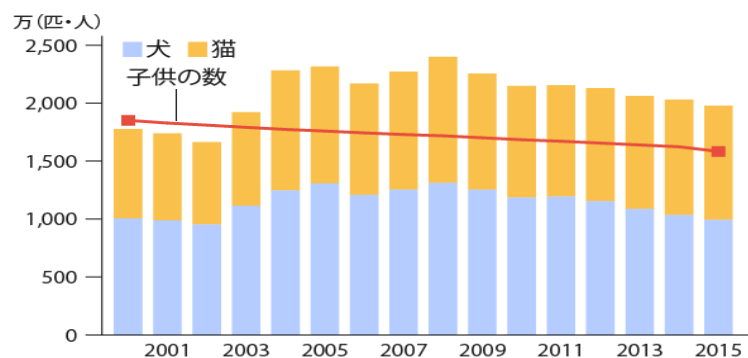
## 8. Challenges of Small amount and Short-Term Insurance Growth

- While the establishment is easy, the fact is that small amount and short term insures are struggling to establish distribution channels that continuously earns customers. According to financial results announcements, about 40% of suppliers are in the final deficit. The industry's major challenge is that many companies have problems in terms of financial soundness.
- Small Amount and Short term insurance is easy to market unlike regular insurance companies, there is no mechanism to protect contractors in the case of bankruptcy. It should also be noted that they are not eligible for premium deductions that provide tax benefits.
- In the small and short-term insurance industry, which continues to grow in this way, ①there are companies that operate similar to mutual aid projects operated by cooperatives, such as establishing small and short-term insurance companies with deep concerns and limiting the number of members to "members of specific organizations". ②Considering that many of the insurance products of short-term insurance companies have the characteristic that "insurance amounts are cheap insurance premiums, and it is easy to join in terms of risk selection and procedures", both points can affect in the growth of small amount and short term insurance market.
- Based on recent developments such as "**new entrants aiming for a synergic effect with the main business of the parent company including major companies**" and "**new entrants aiming for new insurance by highly specialized personnel with experience in insurance business**", it is assumed that the current laws and regulations will not be excessively strengthened, but the number of small and short-term insurance companies will continue to increase, and the industry as a whole is expected to be growing.
- In addition, there is a possibility that the number of companies **moving to insurance companies** will gradually increase as the business scale grows, and the differences with insurance companies **as compensation providers may fade**.  
※In April 1, 2019, Pet & Family Small And Short Term Insurance, a subsidiary of the T & D Group[Taiyo Life and Daido Life], obtained a non-life insurance business license and changed its name to Pet & Family Non-Life Insurance[due to the limit of yearly income premium up to 5billion yen.
- Up until now, Small amount and short term insurance has moved from the B2C perspective, but **in the future, to the B2B perspective**. It shows the potential for the traditional insurance market to be penetrated from other industries. In particular, the impact of non-life insurance agents is considerable.

## Case Study 1: Pet Insurance Industry Trends

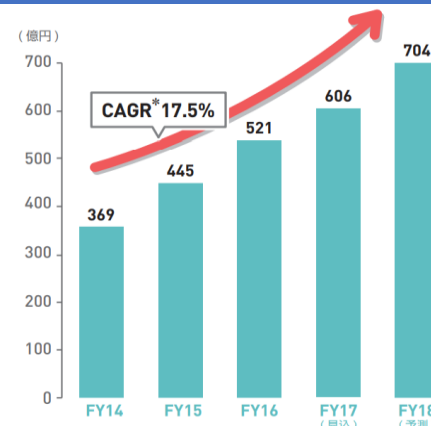
- According to the FY2018 , the overall market size of the pet insurance industry is about 70 billion yen, and the market size is growing at a growth rate of around 20% every year. [80% of pet insurance market is shared by Anycom and Ai Pet non life insurance and from 2019, 3<sup>rd</sup> ranking company, pet 'and family small amount and short term insurance was changed to non life insurance]
- The industry is growing due to the recognition of pet insurance and the be family of pets.
- In addition, the first pet boom of the 1980s and 1990s was the time that people began to raise 2 pets, and more people considered joining because of the large medical costs of their previous pets,
- the number of pets and children reversed in 2003.
- It is said that about 18 million dogs and cats are bred in Japan, of which about 7.7% have insurance, and the pet insurance market in Japan could expand to about 180 billion yen[ world pet insurance premium of 2016 was 270 billion yen].
- There are 15 pet insurance companies in Japan, a small and short-term insurance company and a non-life insurance company.
- See table 4 : trends of Pet Insurance

### ◆ Trends of No. of Pet and under 15 age



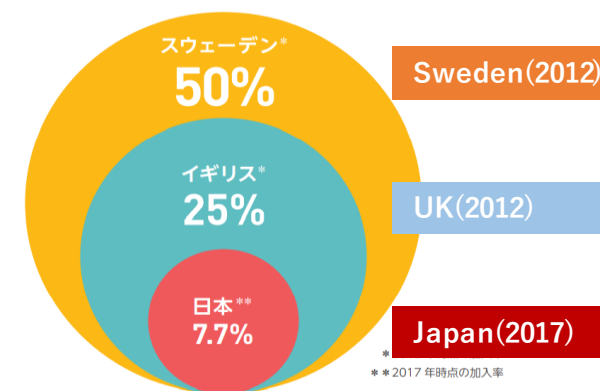
(出所) (社) ペットフード協会『全国犬猫飼育実態調査』、総務省統計局『人口推計』

### ◆ Trends of Pet income premium



出典：矢野経済研究所「ペットビジネスマーケティング総覧 2018年版」  
\*Compound Annual Growth Rate (年平均成長率)

### ◆ Pet insurance ratio comparison



出典：Timetric. [Pet Insurance in the UK]  
一般社団法人ペットフード協会「平成29年 全国犬猫飼育実態調査」の飼育頭数とP.16の保有契約件数をもとに当社で算出

## Product Case 2 : P2P Insurance

P2P insurance (Peer-to-Peer insurance) is an insurance that uses a system that shares risks and contributes insurance premiums to groups that share the same risks. Therefore, "Warikan Cancer Insurance" is "possible" by other contractors when claim payment occurs, such as when someone insured has cancer, and the insurance premium is paid by other contractors. Therefore, insurance premiums will be paid later because they will be paid when the claim payment occurs, not at the time of enrollment.

\* There is a limit to the monthly insurance premium.

In order to join the Warikan Cancer Insurance, you must agree to participate in the Regulatory Sandbox System (Demonstration Experiment System).

\*The "Regulatory Sandbox System" is a demonstration experiment system based on the Act on Special Measures for Productivity Improvement. The system is being operated under the initiative of the Cabinet Secretariat to promote new technologies and business model and began in 2018. In the insurance field, JustInCase Co., Ltd. will be certified for the first time.

※ The Japan Small Amount and Short Term Insurance Association (Chairman, Hatchobori, Chuo-ku, Tokyo: Keisuke Watanabe) is pleased to be pleased to receive the 6th Small And Medium-Term Insurance Award as follows.

### 第6回少額短期保険大賞 justInCaseの「わりかん保険」に決定

一般社団法人日本少額短期保険協会（東京都中央区八丁堀 会長：渡邊 圭介）は、「第6回少額短期保険大賞」が決定しましたことを、以下の通り、お知らせいたします。

少額短期保険大賞とは

その年に開発・販売された少額短期保険商品の中から「もっとも少額短期保険らしい」商品を選ぶコンテストです。大賞の決定はエントリーされた商品の中から、少額短期保険会社の投票により決定します。第6回目となる今年の大賞は3商品のエントリーがありました。大賞受賞商品は、以下のとおりです。



日本初！保険金をわりかんする保険。  
保険の原点である「助け合い」に戻り、透明性・合理性を実現。  
必要な時に、必要な人に、保険がもう掛け捨てとは言わせない。

商品概要

- 保険料は後払い、ゼロ円から
  - 誰も請求しないと、保険料の支払いはゼロ円
  - がんになった人の保険金をみんなでわりかんする。
  - 毎月の保険料は、被保険者：20～39歳の場合は、最大でも500円
- 助け合いの精神を蘇らせる
  - 保険料の支払いで、がんになった人を助ける
  - もしも自身ががんになったら、みんなに助けられる
- 透明性を持つお客様の本位
  - 保険料の使い道を見える化
  - 先月がんになった人の人数や保険金の支払額といった保険金支払の情報を毎月報告
- 海外で大人気
  - 中国、欧米では2億人以上が加入したシェアエコ保険



## Product Case 3: Insurance service by LINE(LINE Insurance)

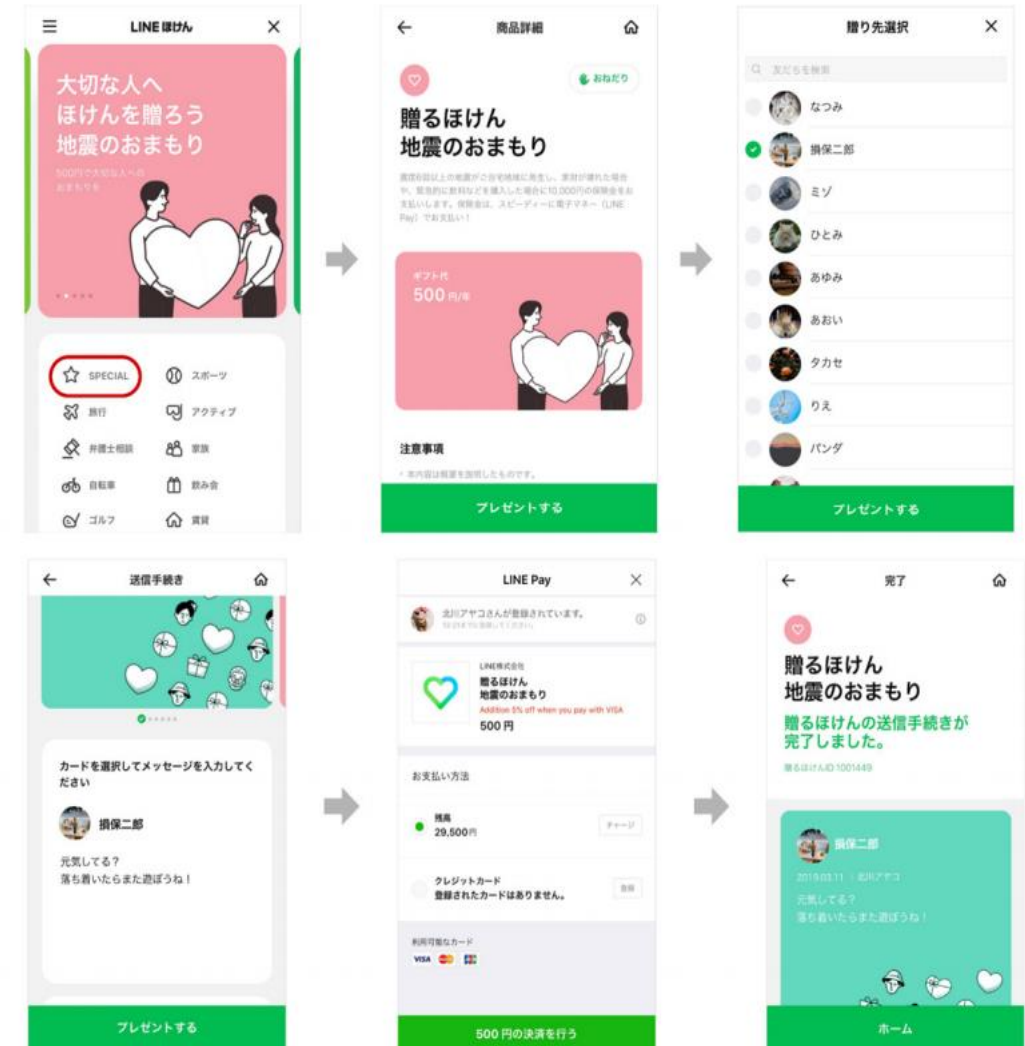
Started providing "Gifting Insurance Earthquake Safety", a new service that can be given insurance on LINE New insurance that combines communication and InsurTech with feelings of thinking about important people Line Financial Co., Ltd. and Sompo Japan Nipponkoa) jointly developed insurance service "LINE" insurance service that can take out non-life insurance on the "LINE" app In March 2019, Insurance offered "gifting Insurance earthquake safety" that insurance would be given on line talks. "Gifting Insurance Earthquake safety" is undertested and provided by Mysurance Co., Ltd., a subsidiary of Sompo Japan Nipponkoa and a small-amount short-term insurance business.

A new experience of gifting insurance to an important person "Gifting insurance earthquake safety"

Insurance claim by an earthquake with a seismic intensity of 6 or more is granted in the LINE Pay account

Claim payment of 10,000 yen is paid to the "LINE Pay" account when an earthquake with a seismic intensity of 6 or more is observed in the insured person's home area.

Affordable insurance premium of one coin (500 yen per year) anywhere in the country



# Reference

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- Mini insurance" exceeds the market size of 100 billion yen! Two reasons for the rapid expansion Masaki Nakamura, Diamond Editorial Department: Reporter Series Diamond Insurance Lab 2020.6.15 3:50
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- LINE Insurance: <https://linecorp.com/en/pr/news/en/2019/2634>
- justInCase Insurance: <https://p2p-cancer.justincase.jp/> HP <https://justincase.jp/>
- AIR HP <http://www.air-ins.co.jp/muen/>
- Healthy Age Insurance HP <https://kenko-nenrei.co.jp/>
- Plus Insurance HP <https://plus-ins.co.jp/>
- Yell Insurance HP <https://yell-lpi.co.jp/>
- Rakuten Pet Insurance HP <https://www.rakuten-ssi.co.jp/company/>
- VIVA VIDA medical life HP <https://vivavida.net/lci/>

Table 1) Mutual cooperatives with a grounds law and premiums

代表的な共済	共済団体	根拠法	主務官庁	共済開始	契約件数
JA 共済	全国共済農業協同組合	農業協同組合法	農林水産省	1948年	5,634万件
JF 共済 (漁協の共済)	全国共済水産業協同組合	水産業協同組合法	農林水産省	1951年	80万件
全労済	全国労働者共済生活協同組合	消費生活共同組合法	厚生労働省	1957年	3,340万件
都道府県民共済	日本生活協同組合	消費生活共同組合法	厚生労働省	都民共済 1983年	631万件
CO・OP 共済	全国生活協同組合	消費生活共同組合法	厚生労働省	1984年	3,393万件
生命共済・傷害共済	中小企業共済共同組合	中小企業等共同組合法	経済産業省	1969年	266万件

※the results based on FY2007

(Source) Akihiko Funaki, "The Current State of Small-Amount And Short-Term Insurance", Sompo Research Institute Report No.86 2008.12

**Table 2: Comparison b/w insurance companies**

Items	Small and short-term insurers	Insurance companies
<b>1. Entry regulations, qualifications, etc.</b>		
① Relationship with administrative agencies	<input type="radio"/> Registration system by the Finance Bureau (there is a reason for refusal of registration)	<input type="radio"/> License system by the Commissioner of the Financial Services Agency
② Organizational form	<input type="radio"/> Corporation and mutual company	
③ Minimum capital and fund	<input type="radio"/> 10 million yen	<input type="radio"/> 1 billion yen
④ Deposit	<input type="radio"/> Deposit of business guarantee (annual premium for the previous fiscal year $\times$ 5% + 10 million yen)	<input type="radio"/> No
<b>2. Business scale regulations</b>	<input type="radio"/> Annual premiums 5 billion yen or less (insurance premiums received in the first fiscal year + refund of re-insurance, etc. - re-insurance premiums and cancellation refunds paid in the current fiscal year) are calculated.	<input type="radio"/> No
<b>3. Business regulations</b>		
① subsidiary business regulations	<input type="radio"/> Vocational (ancillary work related to small-amount short-term insurance business is allowed)	<input type="radio"/> In principle, vocational (ancillary work and statutory other industry are recognized.)
② Main incidental services	<input type="radio"/> Main affairs for other small and short-term insurance companies and insurance companies, contract conclusion agency, damage assessment agency	<input type="radio"/> Main and administrative agency of other insurance companies and small and short-term insurance companies
③ Arm's length principle	<input type="radio"/> The prohibition of prescribed transactions and acts with specific parties such as subsidiaries and holding companies applies	
④ both life and non life	<input type="radio"/> both possible	<input type="radio"/> separate (can be operated concurrently within the Group by subsidiary method)
<b>4. Product screening and regulation</b>		
① Basic documents, etc.	<input type="radio"/> Articles of incorporation, business methods, ordinary insurance terms and conditions, insurance premiums and methods for calculating liability reserves	
② Product screening	<input type="radio"/> Pre-notification system (effective from 60 days after notification (shortened and extended))	<input type="radio"/> Need approval of insurance products for individuals
	Note) The examination criteria for business methods and ordinary insurance terms and conditions are the same as for insurance companies. The calculation method will be attached with the opinion of the insurance meter accountant and will not be pre-reviewed.	<input type="radio"/> Products that are not likely to lack contractor protection, such as large insurance for companies, are a pre notification system
③ Limitation of insurance period and amount of insurance	<input type="radio"/> The insurance products handled must meet the following:	
	• Insurance period: Life and third-sector within 1 yr, non-life within 2 years	
	• Insurance amount: For one insured person, the total amount of insurance amount of A-F insurance is 10 million yen or less within the following upper limit for each coverage category (G's insurance is separate)	
	A. Death insurance: 3 million yen	
	B. Medical insurance (accident disease insurance): 800,000 yen	
	C. Severe disability insurance due to illness, etc.: 3 million yen	
	D. Insurance for specific severe disability caused by injury: 6 million yen	
	E. Accident death insurance: 3 million yen	
F. Non-life insurance: 10 million yen		
G. Low -incidence insurance such as personal compensation: 10 million yen		<input type="radio"/> There are no restrictions under the Insurance Business Act. (Matters concerning the insurance period and the amount of insurance are stipulated in each company's "Business Method Book".)

Item	Small and short-term insurers	Insurance companies
<b>④ Insurance products, etc. that cannot be issued</b>	<ul style="list-style-type: none"> <li>○ insurance that pays insurance for a person's survival</li> <li>○ insurance that pays a return on full term</li> <li>○ Operational performance-linked insurance for which special accounts are obligated</li> <li>○ Reinsurance</li> <li>○ Foreign currency denominated insurance</li> <li>○ Insurance that pays insurance on a regular or installment payment (payment period is 1 year or more)</li> </ul>	<ul style="list-style-type: none"> <li>○ There are restrictions on the type of license (life and damage), but there are no restrictions on the development, sale, and re-insurance operations of insurance products listed on the left.</li> </ul>
<b>5. Property Management Regulations</b>	<ul style="list-style-type: none"> <li>○ Deposits and savings (excluding foreign currency denominated) Limited to government bonds, local government bonds, etc.</li> </ul>	<ul style="list-style-type: none"> <li>○ Freedom in principle (limited by Cabinet Office Ordinance)</li> </ul>
<b>6. Accounting regulations</b>		
<b>① Business Report</b>	<ul style="list-style-type: none"> <li>○ Interim business report and business report must be made and submitted ※ In the case of a small amount and short-term insurer, capital is 300 million yen or more</li> </ul>	
<b>② Information disclosure</b>	<ul style="list-style-type: none"> <li>○ Obligation of the preparation and public portrait of Disclosure magazine</li> </ul>	
<b>③ Insurance policy reserves</b>	<ul style="list-style-type: none"> <li>○ Liability reserves (ordinary liability reserves, abnormal risk reserves, contractor dividend reserves*), obligation to reserve payment reserves *Employee dividend reserves and contractor dividend reserves of life insurance companies are not included in the liability reserves.</li> </ul>	
<b>④ An insurance actuarial</b>	<ul style="list-style-type: none"> <li>○ Obligation to appoint and report an insurance actuary</li> </ul>	
<b>7. Agency regulations, etc.</b>		
<b>① Registration regulations</b>	<ul style="list-style-type: none"> <li>○ Registration obligations for agents (small amount short-term insurance applicants, life insurance applicants, non-life insurance agents)</li> </ul>	
<b>② contracts regulations</b>	<ul style="list-style-type: none"> <li>○ Prohibited acts at the time of conclusion and recruitment of contracts apply ※ False notices, recommendations for non-notification of important matters, unfair transfer recruitment, special benefit offer, illegal comparison of contract contents, etc.</li> <li>○ Obligation to explain to the customer (by trade name, name, agency, intermediary, name of the applicant, etc.)</li> </ul>	
<b>③ Liability for damages</b>	<ul style="list-style-type: none"> <li>○ The applicant (small amount short-term insurance applicant, life insurance recruit, non-life insurance agent) is obligated to be liable to the contractor due to the recruitment act.</li> </ul>	
<b>④ Cooling Off</b>	<ul style="list-style-type: none"> <li>○ Applicable (not applicable for insurance periods of less than 1 year)</li> </ul>	
<b>8. Inspection, supervision, etc. by supervisory authorities</b>		
<b>① Inspection and supervision</b>	<ul style="list-style-type: none"> <li>○ FSA is in charge</li> <li>○ Report collection, business improvement order, business suspension order, etc. ※ In the case of a small amount short-term insurer, the Finance Bureau is included.</li> </ul>	
<b>② Health Standards</b>	<ul style="list-style-type: none"> <li>○ Solvency margin ratio regulation applied</li> </ul>	
<b>9. Contractor Protection</b>		
<b>① Contractor Protection Organization</b>	<ul style="list-style-type: none"> <li>○ Note no protection mechanism</li> </ul>	<ul style="list-style-type: none"> <li>○ Obligation to join the "Life Insurance Policyholder Protection Organization" or "Non-Life PolicyHolder Protection Organization"</li> </ul>
<b>② Financial ADR system</b>	<ul style="list-style-type: none"> <li>○ Financial Alternative Dispute Resolution</li> <li>○ "Small amount short-term insurance consultation room" , "Life insurance consultation center" established in life insurance association, "Sonpo ADR center" .</li> </ul>	
<b>10. Others</b>		
<b>① External audits</b>	<ul style="list-style-type: none"> <li>○ Companies with capital of 300 million yen or more are required.</li> </ul>	<ul style="list-style-type: none"> <li>○ All is necessary</li> </ul>
<b>② Scope of subsidiaries</b>	<ul style="list-style-type: none"> <li>○ Only companies that exclusively operate statutory operations that are subordinate, incidental, or related to business. (Approval by the Minister of State is required.)</li> </ul>	<ul style="list-style-type: none"> <li>○ Only statutory companies*. *Examples: Life insurance companies, non-life insurance companies, foreign insurance companies, small and short-term insurance companies, banks, securities companies, trust companies, and other subordinate and financial-related companies. (Approval by the minister of state is required, with some exceptions))</li> </ul>



Table 3: the results of FY2019 of Small Amount and Short Term Insurance

- 2020年3月 results
- No of policies : 8.83 million[106%up)
- Income premium 107.4 billionyen[104%up]
- No of insurer 103 (+2)

<保有契約件数・収入保険料 ※>

業者数	2019年度 期末						2018年度 期末		
	件数	増加率	占率	保険料	増加率	占率	業者数	件数	保険料
	万件	%	%	億円	%	%	社	万件	億円
合計 103社	883	6%	100%	1,074	4%	100%	101	831	1,032
家財 49社	746	7%	84%	734	7%	68%	48	697	683
生保・医療 28社	41	3%	5%	128	8%	12%	30	39	118
ペット 8社	49	-9%	6%	137	-16%	13%	9	54	164
費用・その他 18社	46	17%	5%	74	11%	7%	14	39	66

※ Due to changing from Pet&Family small amount and short term to P&F non life insurance, the increase ration of no of policies and income premium is decreased but total pet insurance market is growing

※ results of small amount and short term insurance excluding Pet & Family insurance

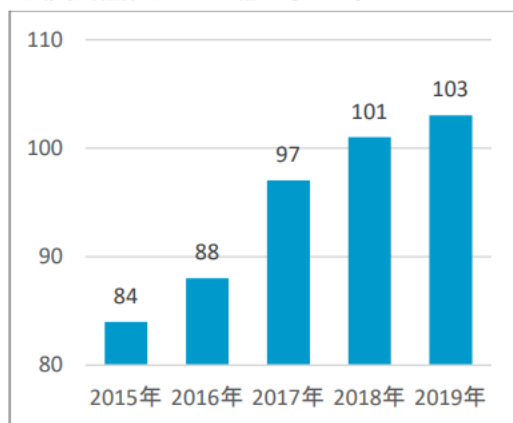
業者数	2019年度 期末						2018年度 期末		
	件数	増加率	占率	保険料	増加率	占率	業者数	件数	保険料
	万件	%	%	億円	%	%	社	万件	億円
合計 103社	883	8%	100%	1,074	10%	100%	100	816	980
ペット 8社	49	24%	6%	137	22%	13%	8	40	112

(Source; Japan SSI Association, 2019 Small And Short Term Insurance Industry Financial Results Overview, News release July 31, 2020)

## <主要数値ハイライト>

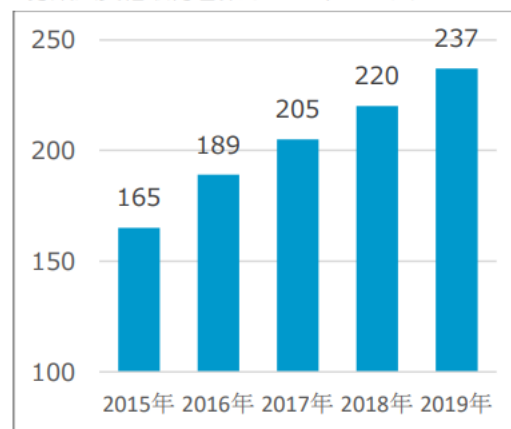
### a. 会員会社数の推移（単位：社）

会員会社数は 103 社となった。



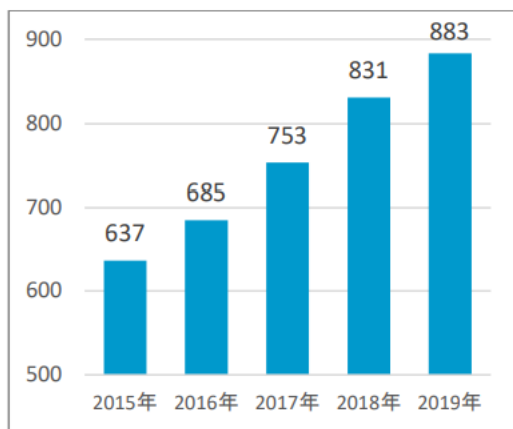
### b. 募集人資格取得者数の推移（単位：千人）

募集人資格取得者数は 237,000 人



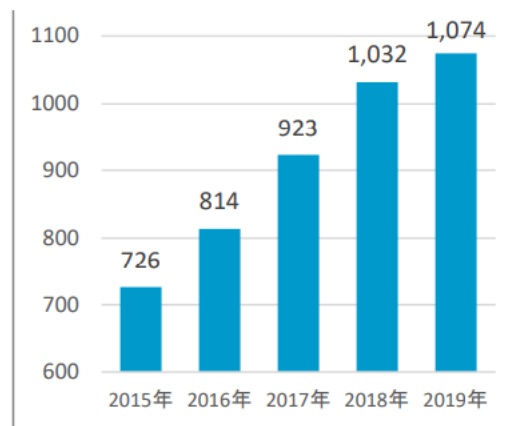
### c. 保有契約件数の推移（単位：万件）

契約件数は 883 万件、前年比 106%



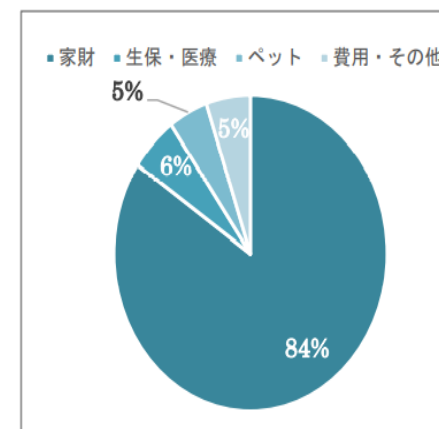
### d. 収入保険料の推移（単位：億円）

保険料収入は 1,074 億円、前年比 104%



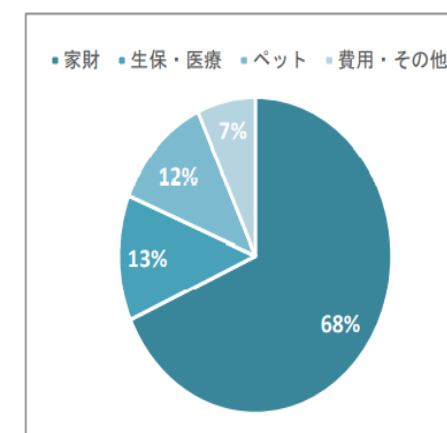
### e. 契約件数の内訳

家財 84%、生保系 6%、ペット 5%、その他 5%



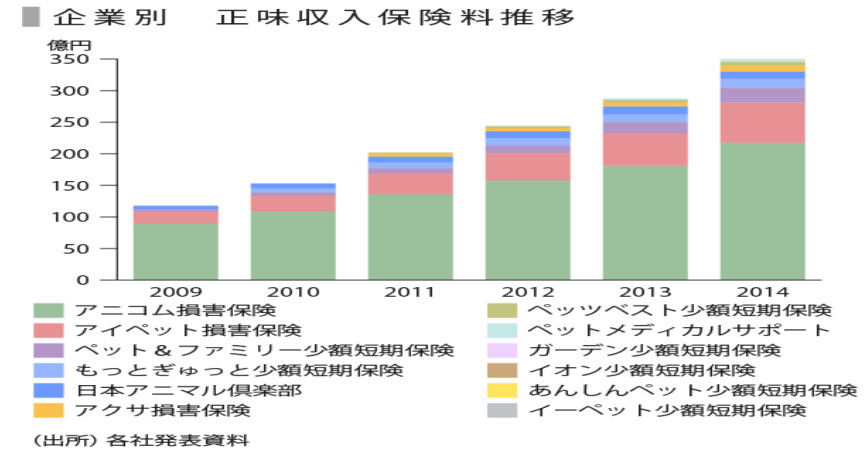
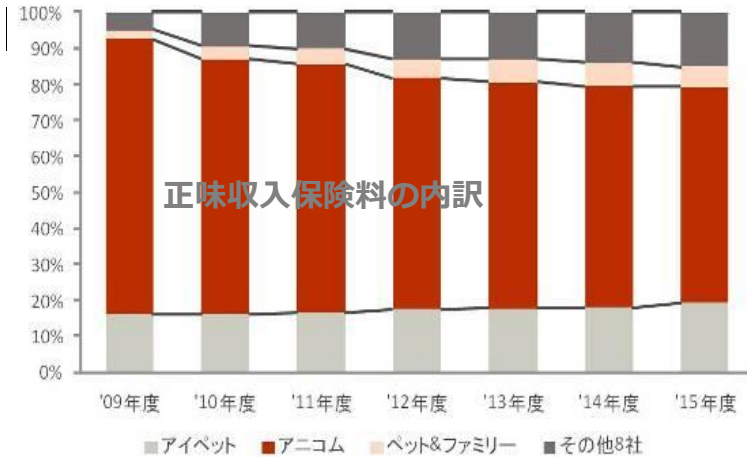
### f. 保険料収入の内訳

家財 68%、生保系 13%、ペット 12%、その他 7%

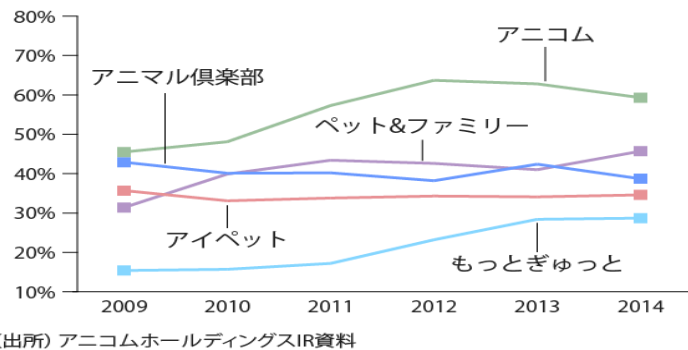


**Table 4: Trends of Pet Insurance**

- The average annual growth rate for 2009-2014 was 24.4%, and double-digit growth has continued. Looking at the share, Anicom Non-Life Insurance accounted for 62% and iPet Non-Life Insurance accounted for 18%, an oligopoly market with 80% of the two companies.



**上位5社のW/P損害率推移**



**上位5社の経常利益率**

	2010	2011	2012	2013	2014
アニコム	3.1%	2.4%	5.2%	4.0%	5.5%
アイペット	12.3%	18.8%	9.1%	8.7%	-22.9%
アニマル倶楽部	2.4%	0.2%	-1.2%	2.3%	2.3%
ペット&ファミリー	-35.5%	-63.6%	-45.3%	-28.4%	-23.2%
もっとぎゅっと	17.5%	8.7%	11.9%	16.9%	17.8%
5社計	3.8%	2.4%	3.2%	3.2%	-1.3%

(出所) アニコムホールディングスIR資料