

SPECIAL FEATURE

THE EARTHQUAKE INSURANCE SYSTEM AND JER'S 50TH ANNIVERSARY

Thanks to your help, JER celebrated the 50th anniversary of its founding in May this year. JER started its operation with the launch of the earthquake insurance system and has since worked alongside this system. In commemoration of our 50th anniversary, we published our corporate history explaining the development and current status of the earthquake insurance system and JER. In this report, we would like to trace the path back to events before and after the launch of the earthquake insurance system, by citing part of our corporate history.

DEVELOPMENTS IN THE NON-LIFE INSURANCE INDUSTRY BEFORE THE ESTABLISHMENT OF THE EARTHQUAKE INSURANCE SYSTEM

With Japan's economy entering a period of high growth and its current account balance almost recovering, pressure from the West demanding that Japan commit to trade liberalization increased. In 1964, Japan accepted the obligations of Article 8 of the International Monetary Fund (IMF) agreement by removing foreign exchange and import restrictions through the balance of payments. Japan also gained membership of the Organisation for Economic Co-operation and Development (OECD) and was at the same time required to commit to the liberalization of capital.

Under such circumstances, in 1962, the Insurance Council held deliberations on improvement measures to strengthen the international competitiveness of Japan's non-life insurance companies.

In November 1962, a subcommittee under the Insurance Council examined concrete measures such as increasing the ability to cover losses, rationalizing premiums, extending coverage and establishing new lines of insurance, entering overseas markets, improving sales agencies and enhancing the reinsurance mechanism. The issue of earthquake insurance and windstorm and flood insurance was raised as one of the issues associated with extending coverage.

In response to this, at a meeting of the subcommittee held the following month, the Chairman of the General Insurance Association of Japan, who attended the meeting as a member of the committee at the time, expressed the opinion that the non-life insurance industry should examine positive and concrete measures.

OCCURRENCE OF THE NIIGATA EARTHQUAKE

The Niigata Earthquake (M 7.5) occurred on June 16, 1964, around 1:00 pm, with a hypocenter off the shore of Niigata Prefecture. The earthquake affected nine prefectures, especially Niigata, Akita and Yamagata prefectures, leaving 26 dead. As for damage to residences, 1,960 were completely destroyed, 6,640 were half destroyed, 15,297 were flooded.



SUPPLEMENTARY RESOLUTION AT THE 46TH ORDINARY SESSION OF THE DIET

Just when the Niigata Earthquake struck, the Finance Committee of the House of Representatives was in the process of deliberating a bill to partially amend the Insurance Business Act. Consequently, on June 19, three days after the earthquake, the following supplementary resolution was passed, approving the proposed amendments to the act.

In a country with frequent earthquakes such as Japan, the inability to pay claims for fire damage caused by earthquakes is a problem for the insurance system. For now, this House is giving guidance to ensure that non-life insurance companies take measures of some sort to deal with the recent earthquake disaster. This House should also examine the establishment of an earthquake insurance system, taking the nuclear insurance that is already offered into consideration, and seek to further develop and enhance the non-life insurance system in Japan, a country with frequent natural disasters.

Following this supplementary resolution, Kakuei Tanaka, who was originally from Niigata Prefecture and was the Ministry of Finance at the time, consulted with the Insurance Council at its 16th General Meeting on July 13, 1964, saying “It is a problem that, although Japan has one of the highest levels of seismic activity in the world, the risk of earthquake is currently barely covered under the existing non-life insurance system. It is now deemed necessary to re-examine the system and promptly establish a system to contribute to the stabilization of the livelihood of the nation at the time of sudden earthquake disasters. What is your view on concrete measures?” In response, the Insurance Council immediately began examination and deliberation of an earthquake insurance system led by its subcommittee.

LAUNCH OF THE EARTHQUAKE INSURANCE SYSTEM

On February 15, 1966, the Government passed cabinet resolutions approving the Bill Concerning Earthquake Insurance and the Bill on Special Account for Earthquake Reinsurance and these were submitted to the 51st ordinary session of the Diet on February 17. The bills were submitted to the Finance Committee of the House of Representatives on April 13 and to the Finance Committee of the House of Councillors on April 19 and, following deliberation by both committees, the bills were approved by the House of Representatives on April 28 and by the House of Councillors on May 11 and then promulgated and enacted on May 18. Government ordinances and ministerial ordinances related to these bills were promulgated and enacted on May 31 and June 1 respectively, and the structure for the earthquake reinsurance system was thus put in place.



Meanwhile, non-life insurance companies filed applications for approval to the Minister of Finance with respect to basic documentation such as the statement of business procedures, policy conditions, statement of calculation procedures for premium rates and policy reserves, and statement of procedures for use of property, pursuant to Article 1 of the Insurance Business Act (at the time). Property and Casualty Insurance Rating Organization of Japan (now the General Insurance Rating Organization of Japan) convened an extraordinary general meeting to determine earthquake premium rates and similarly filed an application for approval to the Ministry of Finance. These applications were approved on June 1, 1966, and earthquake insurance began to be sold with effect from the same date.

On May 30, 1966, Japan Earthquake Reinsurance Co., Ltd. was established with investment by 20 domestic non-life insurance companies as an organization which arranges reinsurance with the government. On June 1, 1966 JER received a license from the Ministry of Finance and began its operation.

OCCURRENCE OF EARTHQUAKE DISASTERS AND REVISION OF THE EARTHQUAKE INSURANCE SYSTEM

Given the specificity of earthquake risk and the absence of any contingency reserves at the launch of the system, it was necessary to avoid excessive losses as a result of the first earthquake and the earthquake insurance system was fairly restrictive, limiting the maximum cover available to the low level of 900,000 yen for building and 600,000 yen for contents and limiting the degree of indemnified loss to total loss.

As explained in the Insurance Council report of 1965 which stated “This long-pending insurance still probably entails many problems that need to be resolved but we believe it is imperative to seek to launch this system based on a proposal that is realistically achievable rather than expecting this essentially problematic insurance to be perfect from the outset”, it was considered important to establish the system and make a start.

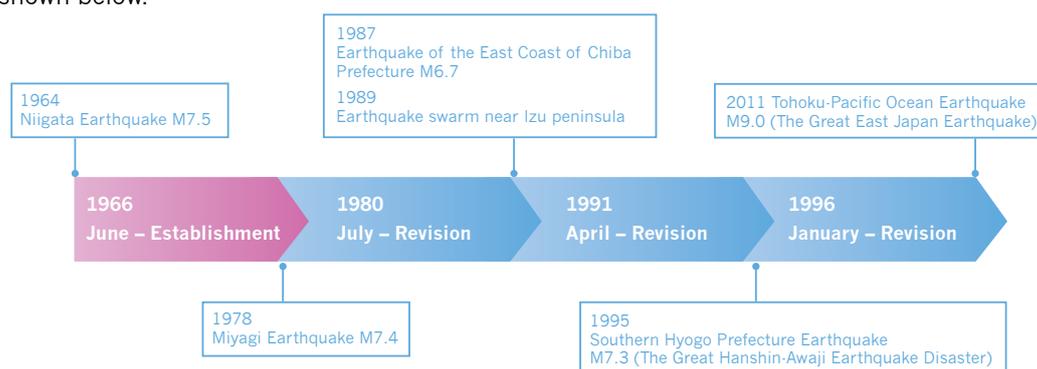
In addition, the Insurance Council report at the time stated “We hope that Government and non-life insurance companies will continue to enhance the system with even greater vigor in the future to meet social demands” and the supplementary Diet resolution passed at the time of the Law Concerning Earthquake Reinsurance (Law No. 73 of May 18, 1966) was passed also called for efforts to improve the operation of the earthquake insurance system, taking changes after enactment of the law into consideration.

Against this background, the earthquake insurance system has been improved many times in the past. These improvements were prompted by a range of factors, including changes in social and economic conditions such as rising prices or an increase in home ownership, as well as advances in government research into earthquakes and improvement in the earthquake resistance of buildings. However, it was feedback from earthquake victims that strongly called for improvements in the earthquake insurance system.

If we count detailed revisions to the system, the system has been revised ten or so times since



its establishment. However, in the fifty years since the system's establishment, there have been three major in-depth revisions to coverage option such as loss categories and maximum coverage. The earthquakes that were the so-called turning points for each of the revisions are shown below.



Then, following the 2011 Tohoku-Pacific Ocean Earthquake (magnitude 9.0) (The Great East Japan Earthquake) on March 11, 2011, the examination of a complete overhaul of the system, led by the Ministry of Finance's Earthquake Insurance System Project Team (chaired by Motohiro Sato, professor at Hitotsubashi University) began.

JULY 1980 REVISION

On June 12, 1978, the Miyagi Prefecture Earthquake struck. The earthquake had a magnitude of 7.4 and an epicentre off the coast of Miyagi Prefecture. Under the earthquake insurance system at the time, claims were paid only for total losses of buildings and the many buildings that were half destroyed or partly destroyed as a result of this earthquake were not covered by insurance. Consequently, although there was extensive damage, only 190 policies were certified as totally lost and paid claims amounted to no more than around 260 million yen. Meanwhile, under the Building Endowment Insurance of Japan Agricultural Cooperatives, which similarly indemnified losses caused by the earthquake, partial loss was also indemnified and around 2.8 billion yen was paid out. Earthquake insurance thus became the subject of public criticism and there were calls for improvement from all quarters including policyholders. This problem was also taken up in the Diet and there was strong pressure for enhancement and early improvement of the earthquake insurance system. As a result, in June 1979, a report entitled Revision of the Earthquake Insurance System was produced and it was decided to make sweeping revisions to earthquake insurance in line with this report.

APRIL 1991 REVISION

On December 17, 1987, a 6.7 magnitude earthquake struck offshore Chiba Prefecture, causing damage not only to cities, towns and villages on the Pacific coast of Chiba Prefecture but to virtually the entire prefecture.



The non-life insurance industry decided to introduce the “partial loss” category to expand coverage and make earthquake insurance more widespread and, as a result, the method of paying claims according to the current three categories “total loss”, “half loss” and “partial loss” were established.

JANUARY 1996 REVISION

At 5:46 am on January 17, 1995, the 1995 Southern Hyogo Prefecture Earthquake struck. The epicenter of this 7.3 magnitude earthquake was off the coast nearby Awaji Island.

The percentage of households enrolled in earthquake insurance directly before the Great Hanshin-Awaji Earthquake Disaster had fallen to 7.0% (at the end of March 1994), the lowest level since the establishment of the system, and the percentage of households enrolled in Hyogo Prefecture was 2.9%, much lower than the national average. Consequently, the majority of disaster victims were unable to receive indemnification through earthquake insurance and the system was unable to fulfill its purpose set out in Article 1 of the Law Concerning Earthquake Reinsurance which was to promote the dissemination of earthquake insurance thereby helping to contribute to the stability of the lives of disaster victims of an earthquake, etc. Ultimately, claims paid through earthquake insurance amounted to no more than 65,427 claims or 78,346,970,000 yen.

Against this background, there were mounting calls to improve coverage and increase the appeal of earthquake insurance, in a bid to make earthquake insurance more widespread as a means of self-help for earthquake disasters, and revisions such as increasing maximum coverage and reviewing premium rates were made.

EXAMINATION STATUS OF SYSTEM REVIEW FOLLOWING THE GREAT EAST JAPAN EARTHQUAKE

At 14.46 on March 11, 2011, the most powerful earthquake recorded in Japan since records began struck off the Sanriku Coast. The magnitude 9.0 earthquake caused violent tremors and a large tsunami, resulting in unprecedented damage, mainly in the Tohoku and Kanto regions. The Japan Meteorological Agency named this earthquake the 2011 Tohoku-Pacific Ocean Earthquake, and the Government generally referred to the earthquake and the disaster caused by the subsequent tsunami and aftershocks as the Great East Japan earthquake.

At the time of this unprecedented disaster, a huge number of insurance claims (780,000) amounting to an enormous sum of money (over 1.2 trillion yen) were promptly paid to policyholders affected by the disaster through earthquake insurance, helping to rebuild and stabilize the lives of the victims. However, at the same time, the contingency reserves of private-sector insurance companies were largely depleted following the payment of such an enormous amount of claims, reducing their ability to pay future claims. There was also concern over the



occurrence of a large earthquake in the Tokyo Metropolitan area or the Nankai Trough in the future, prompting calls for an increase in the robustness of the earthquake insurance system. In the wake of the earthquake, a number of opinions regarding the commercial nature of earthquake insurance were also put forward by policyholders affected by the disaster.

Under these conditions, the Basic Policy on Special Account Reform approved by Cabinet resolution on January 24, 2012 stated with respect to the earthquake insurance system that “In light of the recent earthquake, the Government will urgently revise the total amount of approved claims and the amount of public and private sector insurance liabilities and also examine the commercial nature of earthquake insurance” and in April 2012, the Earthquake Insurance System Project Team (hereinafter referred to as the “Earthquake Insurance System PT”; chaired by Motohiro Sato, professor at Hitotsubashi University) was established in the Ministry of Finance.

The Earthquake Insurance System PT consisted of experts and academics from related fields, and the General Insurance Association of Japan, Foreign Nonlife Insurance Association of Japan, General Insurance Rating Organization of Japan, Financial Services Agency and JER also participated as observers.

Where necessary, the views of outside experts involved in crisis management and relevant ministries, agencies and organizations were sought, and energetic discussions were held, taking the actual situation of the people and areas affected by the Great East Japan Earthquake into consideration and also listening to the opinions of policyholder and consumers.

From April 2012, discussions were held 12 times, and in November 2012, the Earthquake Insurance System PT’s recommendations were published in a report. The report summarized recommendations relating to “general statement,” “resilience” “commercial nature” and “premium rates” divided into “urgent issues,” “issues to be addressed promptly” and “issues for further discussion.” In addition, from November 2013, approximately one year after publication of the report, the Earthquake Insurance System PT met to assess the status of initiatives taken to address issues set out in the report.

PUBLICATION OF *FIFTY YEARS OF JAPAN EARTHQUAKE REINSURANCE CO., LTD.*

In commemoration of our 50th anniversary, we published *Fifty Years of Japan Earthquake Reinsurance Co., Ltd.* The book describes the development and current status of the earthquake insurance system and JER, and also records the collaborative initiatives undertaken between the public and private sectors to deal with the Great East Japan Earthquake and the Great Hanshin-Awaji Earthquake. We hope it will be of reference to future generations.



CHRONOLOGICAL TABLE OF EARTHQUAKE INSURANCE AND JAPAN EARTHQUAKE INSURANCE CO., LTD.

Year	Month	Earthquake insurance/JER developments	Major events	Major earthquakes or volcanic eruptions
1964	Jun.	Supplementary resolution to resolution approving bill for partial amendment of the Insurance Business Act When passing a resolution on a bill amending the Insurance Business Act in the 46th Ordinary Session of the Diet, the House of Representatives Finance Committee, prompted by the Niigata Earthquake, adopts a supplementary resolution urging examination of the earthquake insurance system.		•Niigata Earthquake (M7.5)
	Jul.	Minister of Finance Kakuei Tanaka consults the Insurance Council over concrete measures for the establishment of earthquake insurance.		
1965	Apr.	Insurance Council finalizes Report on the Establishment of Earthquake Insurance		
1966	Feb.	Board of Directors of General Insurance Association of Japan passes resolution to establish Japan Earthquake Reinsurance Co., Ltd. (JER).		
	May	Property and Casualty Insurance Rating Organization of Japan convenes extraordinary general meeting to determine earthquake premium rates.		
	May	Promulgation and enactment of Law Concerning Earthquake Insurance Promulgation and enactment of Earthquake Insurance Special Account Law Establishment of JER		
	May	JER is established in Chiyoda Ward, Tokyo with capital of 1 billion yen through investment by 20 non-life insurance companies. Launch of only company in Japan permitted to exclusively handle reinsurance for earthquake insurance		
	May	Enforcement Ordinance of Law Concerning Earthquake Insurance promulgated and enacted		
	Jun.	Earthquake insurance system launched (Japanese non-life insurance companies start selling earthquake insurance.)		
1968			•Launch of long-term comprehensive insurance •Launch of group insurance	•Ebino Earthquake (M6.1) (First time claims are paid since launch of the earthquake insurance system)
1972	May	Revision of earthquake insurance system (revision of total amount of approved claims, etc.) 300 billion yen → 400 billion yen		
1973			•Launch of dwelling house fire insurance	
1975	Apr.	Revision of earthquake insurance system (introduction of optional addition, revision of total amount of approved claims, etc.) 400 billion yen → 800 billion yen		
	Jul.	Start of underwriting of long-term (2-35 years) earthquake insurance policies		



Year	Month	Earthquake insurance/JER developments	Major events	Major earthquakes or volcanic eruptions
1978	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims, etc.) ¥800 billion → ¥1.2 trillion	•Enactment of Law on Special Measures Concerning Countermeasures for Large-Scale Earthquakes	•1978 Miyagi Earthquake (M7.4)
	Nov.	Insurance Council decides that non-life insurance subcommittee will deliberate the overhaul of earthquake insurance, which was found to be lacking at the time of the Miyagi Earthquake.		
1979	Jun.	Insurance Council issues report, "Revision of the Earthquake Insurance System"		
1980	Jul.	Revision of earthquake insurance system (introduction of half-destroyed category, etc.)		
	Jul.	Discontinuation of underwriting of long-term (2-35 years) earthquake insurance policies		
1981			•Revision of Enforcement Regulations of the Building Standards Law (introduction of new earthquake resistant design standards)	
1982	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims, etc.) ¥1.2 trillion → ¥1.5 trillion		
1983			•Establishment of Disaster Preparedness Week	•1983 Japan Sea Earthquake (M7.7) •1983 Miyakejima Volcanic Eruption
1988	-	Introduction of our first computer system		
	Jul.	Start of underwriting of long-term (2-5 years) earthquake insurance		
1991	Apr.	Revision of earthquake insurance system (revision of premium rates, introduction of partly destroyed category)	•Japan Meteorological Agency (JMA) starts using seismometers (world first)	•1991 Mt. Unzen Fugendake Volcanic Eruption
1993				•1993 Southwest-Off Hokkaido Earthquake (M7.8)
1994	May	UN World Conference on Disaster Risk Reduction in Yokohama (Chairman of General Insurance Association of Japan gave lecture entitled Role of Non-life Insurance for Natural Disaster Management)		•1994 East Off Hokkaido Earthquake (M8.2) •1994 Far Off Sanriku Earthquake (M7.6)
	Jun.	Revision of earthquake insurance system (revision of total amount of approved claims) 1.5 trillion yen → 1.8 trillion yen		
1995	Jan.	Introduction of earthquake insurance midway addition	•Enactment of Law on Special Measures concerning Earthquake Disaster Management •Establishment of Disaster Management and Volunteer Day •Establishment of the Headquarters For Earthquake Research Promotion	•1995 Southern Hyogo Prefecture Earthquake (M7.3) (Great Hanshin-Awaji Earthquake)
	Oct.	Revision of earthquake insurance system (revision of total amount of approved claims) 1.8 trillion yen → 3.1 trillion yen		

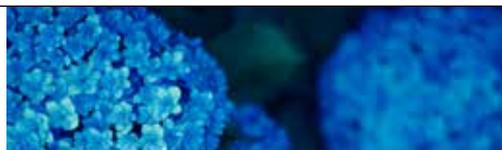


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1996	Jan. Jul.	Revision of earthquake insurance system (revision of premium rates, etc.) Relocation of JER to Chuo Ward, Tokyo	<ul style="list-style-type: none"> •Enactment of New Insurance Business Act •Conclusion of U.S.-Japan Insurance Agreements •Revision of earthquake intensity scale by JMA (0-10) 	
1997	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims) 3.1 trillion yen → 3.7 trillion yen		
1998	Oct.	Promulgation and enactment of Ministerial Ordinance Concerning Payment by Rough Estimate of Reinsurance Claims Relating to Earthquake Insurance	<ul style="list-style-type: none"> •Establishment of Financial Supervisory Agency •Revision and promulgation of Insurance Business Act •Enactment of Law on Support for Reconstructing Livelihoods of Disaster Victims 	
1999	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims) 3.7 trillion yen → 4.1 trillion yen		
2000			<ul style="list-style-type: none"> •Establishment of Financial Services Agency •Enactment of Housing Quality Assurance Law 	<ul style="list-style-type: none"> •2000 Usuzan Volcanic Eruption •2000 Western Tottori Earthquake (M7.3)
2001	Sep. Oct.	Establishment of JER website Revision of earthquake insurance system (revision of premium rates, introduction of discount system)	<ul style="list-style-type: none"> •Okurasho (Finance Ministry) was renamed Zaimusho (Ministry of Finance). •Establishment of Cabinet Office •Start of insurance sales by banks, etc. •Liberalization of non-life insurance agency system •First round of reorganization and consolidation of non-life insurance companies begins 	<ul style="list-style-type: none"> •2001 Geiyo Earthquake (M6.7)
2002	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims) 4.1 trillion yen → 4.5 trillion yen	<ul style="list-style-type: none"> •Establishment of General Insurance Rating Organization of Japan •Enactment of Law on Special Measures concerning Advancement of Countermeasures against Disasters of Tonankai and Nankai Earthquakes 	



Year	Month	Earthquake insurance/JER developments	Major events	Major earthquakes or volcanic eruptions
2003	Apr.	Start of examination of issues relating to the underwriting of earthquake insurance as a result of "Tokai Earthquake Cautionary Information" and "Convocation of Earthquake Assessment Committee" issued by JMA	<ul style="list-style-type: none"> •Start of provision of volcano information with JMA volcanic activity level 	<ul style="list-style-type: none"> •Off Miyagi Prefecture Earthquake (M7.1) •Northern Miyagi Prefecture Earthquake (M6.4) •2003 Off-Tokachi Earthquake (M8.0)
2004	Sep.	Start of discussions for review of Special Account for Earthquake Reinsurance	<ul style="list-style-type: none"> •Enactment of Law on Special Measures concerning Advancement of Countermeasures against Earthquake Disaster in Relation to Subduction Zone Earthquake Around Japan Trench and Chishima Trench •JMA starts applying new information related to Tokai Earthquake. 	<ul style="list-style-type: none"> •2004 Mid Niigata Prefecture Earthquake (M6.8)
2005	Jan. Apr.	<p>Public forum (earthquake insurance radio forum) held at UN World Conference on Disaster Risk Reduction in Kobe</p> <p>Revision of earthquake insurance system (revision of total amount of approved claims, establishment of standard premium rates using long-term coefficients) 4.5 trillion yen → 5.0 trillion yen</p>	<ul style="list-style-type: none"> •10 years after the Great Hanshin-Awaji Earthquake •Business improvement orders are issued to non-life insurance companies found to have made omissions in the payment of claims. 	<ul style="list-style-type: none"> •West Off Fukuoka Earthquake (M7.0) •West Off Fukuoka Earthquake (M5.8)
2006	Mar.	Number of earthquake insurance policies tops 10 million (10.24 million)		
2007	Jan. Oct.	<p>Implementation of earthquake insurance premium deduction system</p> <p>Revision of earthquake insurance system (revision of premium rates, etc.)</p>	<ul style="list-style-type: none"> •Administrative action, including business suspension orders, taken against non-life insurance companies found to have improperly paid or not paid claims related to third-party insurance products. •Ban on insurance sales by banks lifted across-the-board. •JMA starts general provision of early earthquake warnings. •JMA starts ground motion warnings and volcanic phenomenon warnings, and introduces volcanic eruption warning levels. 	<ul style="list-style-type: none"> •2007 Noto Peninsula Earthquake (M6.9) •2007 Niigata Prefecture Chuetsu Offshore Earthquake (6.8)

Year	Month	Earthquake insurance/JER developments	Major events	Major earthquakes or volcanic eruptions
2008	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims) 5 trillion yen → 5.5 trillion yen – Development of our system platform and complete revamp of the system		<ul style="list-style-type: none"> •2008 Iwate-Miyagi Inland Earthquake (M7.2) •Earthquake in the Northern Coast of Iwate Prefecture (M6.8)
2009	Apr.	Revision of earthquake insurance system (revision of amounts of liability borne by public and private sectors)		<ul style="list-style-type: none"> •Suruga Bay Earthquake (M6.5)
2010	Jan. Oct.	Revision of earthquake insurance system (revision of building structure categories for premium rates) Special Account for Earthquake Reinsurance is included in the budget screening of the Cabinet Office's Government Revitalization Unit	<ul style="list-style-type: none"> •Enactment of Insurance Law •Second round of reorganization and consolidation of non-life insurance companies begins. •Establishment of General insurance Counseling and ADR Center in the General Insurance Association of Japan 	
2011	Jan. Apr. May Nov.	Working Group for Summary of Issues Concerning Special Account for Earthquake Reinsurance is established in the Ministry of Finance, and JER takes parts as an observer. The Government, the non-life insurance industry and JER decide to implement payment by rough estimate of earthquake reinsurance claims. Revision of earthquake insurance system (public-private reinsurance scheme is revised through enactment of FY2011 1 st revised budget.) Working Group for Summary of Issues Concerning Special Account for Earthquake Reinsurance reports Summary of Issues Concerning Special Account for Earthquake Reinsurance to the Government Revitalization Unit.	<ul style="list-style-type: none"> •Enactment of Law on Promotion of Tsunami Countermeasures 	<ul style="list-style-type: none"> •Sanriku Offshore Earthquake (M7.3) •2011 Tohoku-Pacific Ocean Earthquake (M9.0) (The Great east Japan Earthquake) •Northern Nagano Prefecture Earthquake (M6.7) •Eastern Shizuoka Prefecture Earthquake (M6.4) •Earthquake off Miyagi Prefecture (M7.2) •Fukushima Hamadōri Earthquake (M7.0) •Central Nagano Prefecture Earthquake (M5.4) •Eruption at Kirishima Volcano's Shinmoedake Crater
2012	Jan. Feb. Mar. Mar. Mar.	Basic Policy on Special Account Reform (approved by cabinet on January 24, 2012) concludes that the Earthquake Reinsurance Special account will continue to exist. GIAJ announces that total amount of approved claims for the Great East Japan Earthquake exceeded 1.2 trillion yen. Earthquake insurance addition rate tops 50% (53.7%). Number of earthquake insurance contracts tops 14 million (14.08 million). JER installs its server at state-of-the-art data center as BCP measures.		<ul style="list-style-type: none"> •Sanriku Offshore Earthquake (M7.3)



Year	Month	Earthquake insurance/JER developments	Major events	Major earthquakes or volcanic eruptions
	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims) 5.5 trillion yen→6.2 trillion yen		
	Apr.	Earthquake Insurance System Project Team established in Ministry of Finance, and JER participates as observer.		
	Nov.	Ministry of Finance publishes Earthquake Insurance System Project Team Report.		
2013	Mar.	Complete revamp of our system in readiness for Tokyo Inland Earthquake •Installation of backup system at Okinawa Data Center •Development of remote access to enable continuation of business even if head office is affected by disaster	•90 years since the Great Kanto earthquake •Enactment of Law on Countermeasures Against Tokyo Inland Earthquake	•Awaji Island Earthquake (M6.3)
	May	Revision of earthquake insurance system (revision of percentage of costs borne by public and private sectors)		
	Nov.	Ministry of Finance's Earthquake Insurance System Project Team holds follow-up meeting and JER participates as observer.		
2014	Apr.	Establishment of JER temporary office in Saitama City as BCP measure.	•50 years since Niigata Earthquake	•Iyonada Earthquake (M6.2) •Mount Ontake Volcanic Eruption •Northern Nagano Prefecture Earthquake (M6.7)
	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims, etc.) 6.2 trillion yen → 7 trillion yen		
	Jul.	Revision of earthquake insurance system (revision of premium rates, expansion of discount system)		
2015	Mar.	Public forum (earthquake insurance-related event) held at UN World Conference on Disaster Risk Reduction in Sendai	•20 years since the Great Hanshin-Awaji Earthquake	•Eruption occurred on Kuchinoerabujima Island •Earthquake West Off Ogasawara Islands (M8.1) •Earthquake in the South of Oita Prefecture (M5.7)
	Jun.	Publication of summary of conclusions of follow-up meeting Ministry of Finance's Earthquake Insurance System Project Team		
2016	Apr.	Revision of earthquake insurance system (revision of total amount of approved claims, etc.) 7 trillion yen → 11.3 trillion yen	•5 years since the Great East Japan Earthquake	•2016 Kumamoto Earthquakes (M6.5, M7.3)
	May	50 th anniversary of the establishment of JER		
	Jun.	50 th anniversary of the launch of the earthquake insurance system		

* Details of major earthquake and volcanic eruptions are produced by JER based on data published on the JMA website.