

IMIA Country Analysis 2010

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>JAPAN</p>	<p>In the fiscal year 2010 which ended in March 2011, the premium income for the Engineering Insurances in Japan decreased by 7.0% from 68,599 million yen (US\$ 703 million) to 63,775 million yen (US\$ 653 million).</p> <p>MB premium in 2010 decreased by 1.9% due to the transfer of existing businesses to property insurances.</p> <p>EAR premium decreased by 4.8% due to the reduction of investment in plant & equipment.</p> <p>CAR premium decreased by 10.5% due to the reduction of public and housing construction.</p> <p>Note : CAR includes Civil Engineering Completed Risks (CECR)</p>	<p>In the fiscal year 2010, the claims amount for the Engineering Insurances in Japan decreased by 4.4% from 30,551 million yen (US\$ 357 million) to 29,213 million yen (US\$ 341 million).</p>	<p>In the fiscal year 2010, the loss ratio of Engineering Insurances in Japan was 45.8%.</p> <p>Whilst the loss ratio of MB improved from 61.3% to 54.3%, the loss ratio of project lines worsened, namely from 36.2% in 2009 to 42.3% in 2010 for EAR and from 41.4% in 2009 to 43.5% in 2010 for CAR .</p>	<p>A slight growth in public / housing construction and investments in plant & equipment had looked promising and a slow recovery of the Japan's industry was expected.</p> <p>However after the heavy earthquake that hit Japan on 11th March 2011 the situation looks quite uncertain. It is said that Japanese economy will drop significantly while there would be some positive impact for the construction sector coming from the demand of the re-establishment from this disaster. At this point in time, it is quite difficult for us to forecast when, how many or how much volume.</p> <p>In any case, MB lines will continue to decrease since existing businesses will be more and more included in property All Risk policies.</p>