

IMIA Country Analysis 2013

Country	Premium Development	Claims Development	Underwriting Profitability	Business Outlook
<p>Japan</p>	<p>In the fiscal year 2013 which ended in March 2014, the premium income for the Engineering Insurances in Japan increased by 2.8% from 70,638 million yen to 72,594 million yen.</p> <p>MB premium in 2013 decreased by 5.0% due to the transfer of existing businesses to property insurances.</p> <p>EAR premium increased by 1.6%.</p> <p>CAR premium increased by 6.0% due to the increase of public and housing construction.</p> <p>Note : CAR includes Civil Engineering Completed Risks (CECR)</p>	<p>In the fiscal year 2013, the claims amount for the Engineering Insurances in Japan decreased by 13.0% from 54,581 million yen to 47,507 million yen.</p> <p>In the fiscal year 2013, the main reason of this decrease is that the claims amount for the heavy earthquake on 11th March 2011 decreased as compared with the fiscal year 2012.</p>	<p>In the fiscal year 2013, the loss ratio of Engineering Insurances in Japan was 65.4%, decreasing from 77.2% of the year before.</p> <p>While the loss ratio of EAR got worse from 45.7% to 61.8%, the loss ratio of MB & CAR improved.</p>	<p>Due to the reconstructions in Iwate, Miyagi and Fukushima prefecture where Japan had serious damages by the Great East Earthquake Japan (11 Mar, 2011), we anticipate increases in the private residential investment.</p> <p>On the other hand, we anticipate flat to little increase in commercial investments. The recent governmental support on credit ease will push business performance and commercial investment, however, the increase in the material procurement cost will offset the increase in the investment. And , although weakness remains for the time being due to the reaction after a last-minute rise in demand , the economy is expected to recover as the effect gradually becomes less, while the effects of the policies support.</p> <p>The concentration of the constructions especially in the area damaged by the earthquake, the cost for materials and labor are increasing. This increase affects the revenues of construction companies.</p> <p>Since nuclear power plants are stopping due to the governmental decisions, the number of mega solar power plant projects rapidly increase. Also, we anticipate an increase in new coal fired or GTCC power plant projects by IPPs since the increase in LNG import decreases the profit of electric power companies in Japan.</p>