

## Questions and Answers

### Topic (4): Information exchange systems among general insurance companies

**Q-1: [From Insurance Company-Underwriting / Loss Adjustment]**

Is it obligatory for general insurance companies to join the information exchange system? (If no, insurance companies are unable to grasp whole data.)

**A-1:**

While it is not obligatory, all GIAJ member companies join the information exchange systems, with a few exceptions, as they fully understand the importance of applying appropriate premium rates reflecting claim histories and promoting proper claim payments.

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**Q-2: [From Insurance Company]**

Do participating companies have to register all relevant data?

**A-2**

[Information exchange system on contracts to which additional premiums (for grades 1 to 5) are applied]

[No claims or claim checking system (Automobile insurance)]

**>>Participating companies are required to register relevant data prescribed in the operating procedures.**

[Information exchange system covering claim history, fraudulent claims and claim payments]

**>>Participating companies are required to register relevant data prescribed in the operating procedures.**

[Exchange system to share information provided by the public regarding fraudulent claims]

**>>Information is provided periodically by the GIAJ to participating companies.**

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**Q-3: [From Insurance Company]**

**When do participating companies make a reference to the system?**

**A-3:**

[Information exchange system on contracts to which additional premiums (for grades 1 to 5) are applied]

[No claims or claim checking system (Automobile insurance)]

**>>The company makes a reference to check if the accepted insurance application form, as a new contract, has any previous contracts to which additional premiums (surcharges) have been applied.**

[Information exchange system covering claim history, fraudulent claims and claim payments]

**>>When the claims staff thinks an accepted claim is suspicious, the relevant insurance company will make a reference.**

[Exchange system to share information provided by the public regarding fraudulent claims]

**>>Information is provided periodically by the GIAJ to participating companies.**

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**Q-4: [From Insurance Company]**

**What information is registered?**

**A-4:**

[Information exchange system on contracts to which additional premiums (for grades 1 to 5) are applied]

[No claims or claim checking system (Automobile insurance)]

**>>Insurance contract data, such as name of insurance company, line of insurance, policy number, name and address of policyholder, vehicle registration number, etc.**

[Information exchange system covering claim history, fraudulent claims and claim payments]

**>>Information on the accident, the policyholder, the injured parties, etc.**

[Exchange system to share information provided by the public regarding fraudulent claims]

>>**Name, address of the claimant, accident information, etc.**

**\*For further details, please contact us individually via IAV.**

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**Q-5: [From Insurance Company]**

**What information is returned to the inquiring company?**

**A-5:**

[Information exchange system on contracts to which additional premiums (for grades 1 to 5) are applied]

[No claims or claim checking system (Automobile insurance)]

>>**Insurance contract data, such as name of insurance company, line of insurance, policy number, name and address of policyholder, vehicle registration number, etc.**

[Information exchange system covering claim history, fraudulent claims and claim payments]

>>**Claim history and information on any previous fraudulent claims.**

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**Q-6: [From Insurance Company-Regulation]**

**Which laws are applied to insurance fraud?**

**A-6:**

**Criminal law**

**Civil law (restitution of unjust enrichment)**

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**Q-7: [From Insurance Company-Underwriting]**

**What kind of measures are taken to prevent violation of the Personal Information Protection Act and Anti-monopoly Act?**

**A-7:**

The GIAJ started Information Exchange Systems after obtaining confirmation from the Fair Trade Commission.

The GIAJ periodically checks observance of participating companies as a system administrator.

The GIAJ publicizes outlines of the systems based on the Personal Information Protection Act.

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**Q-8: [From Insurance Company]**

What kind of measures are necessary for protecting personal information and preventing abuse of the exchanged information by insurance companies? Will some companies approach other insurance companies' NCD customers to offer better (lower) fee for insurance policies?

**A-8:**

Staff who can access exchanged data are registered with the GIAJ and limited to a few persons. In addition, to avoid inquiries for illicit purposes, replies are returned after checking the contract / claim information submitted by the inquiring company.

The operating procedures prohibit use of exchanged information for other purposes.

The GIAJ periodically checks observance of participating companies as a system administrator.

We are sure that Japanese insurance companies now understand the highly public nature of insurance, which plays an important role in society. They also understand the importance of maintaining information exchange systems in order to ensure that insurance work properly. Should an insurance company be accused of abuse of any information for getting new customer (contract), the company will face severe criticism from society, as well as disciplinary measure by the regulatory body (Financial Services Agency).

Naturally, countermeasure against cyber threats related to our information exchange systems are taken by the GIAJ and respective companies.

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**Q-9: [From Insurance Company-Loss Adjustment]**

**How and by whom are expenses for information exchange borne?**

**A-9:**

**Participating companies pay for system costs according to contribution shares which are prescribed in advance.**

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**Q-10: [From Insurance Company-Loss Adjustment]**

**Slide 29 - About fraudulent claims: When a suspicious case arises, who will investigate? (The Insurers, the Automobile Technical Adjuster???) What qualifications are required? If the insurance company investigates by themselves, will the information they gather be accepted by the authorities in a court of law if there is a dispute?**

**A-10:**

**Usually, insurance company staff, Property Loss Assessors, and Automobile Insurance Adjusters investigate accidents and claims. In suspicious cases, insurance companies use general insurance claim research firms, which provide services such as investigating accident sites, severity of accident victim injuries, stolen vehicles, and suspected fraudulent claims.**

**While Property Loss Assessors and Automobile Insurance Adjusters have to be registered with the GIAJ, after passing examinations, in order to investigate claims and accidents for its member companies, they do not need any official qualifications.**

**Facts which are investigated by insurance companies can be accepted as insurance fraud evidence in court. Claims adjustment staff of insurance companies are required to be familiar with judicial precedents and to know what kinds of facts are acceptable as insurance fraud evidence in court.**

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