

# The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Non-Life Insurance Companies

October 31, 2024  
Japan Fair Trade Commission

The Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) today issued cease and desist orders and surcharge payment orders against non-life insurance companies –Mitsui Sumitomo Insurance Company, Limited, Sampo Japan Insurance Inc., Aioi Nissay Dowa Insurance Co., Ltd., and Tokio Marine & Nichido Fire Insurance Co., Ltd.–and the non-life insurance representative The Kyoritsu Co., Ltd. pursuant to the provisions of the Antimonopoly Act (hereinafter referred to as the “Act”).

In this case, the non-life insurance companies and the non-life insurance representative violated the provision of the Article 3 (prohibition of unreasonable restraint of trade) of the Act.

In addition, the JFTC compiled the points to be noted under the Act regarding coinsurance to prevent violations of the Act and also requested the Financial Services Agency and the General Insurance Association of Japan to ensure that compliance with the Act is communicated to all non-life insurance companies and others.

(note) The names of the violating entities are hereinafter referred to as "Mitsui Sumitomo Insurance," "Sampo Japan Insurance," "Aioi Nissay Dowa Insurance," "Tokio Marine & Nichido Fire Insurance," and "Kyoritsu."

## 1. Outline of the Violations

### (1) Non-Life Insurance with JERA Co., Inc. as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, Aioi Nissay Dowa Insurance, and Tokio Marine & Nichido Fire Insurance, regarding the specified property damage/business interruption insurance, jointly made it possible to raise or maintain insurance premiums by adjusting the level of insurance premiums offered by each company during the competitive quotes and similar practices, thereby restraining competition in the field of the specified property damage/business interruption insurance, contrary to the public interest.

### (2) Non-Life Insurance with COSMO OIL CO., LTD. as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, Aioi Nissay Dowa Insurance, and Tokio Marine & Nichido Fire Insurance, regarding the specified comprehensive insurance for the refineries, jointly made it possible to maintain underwriting ratio and premium levels by adjusting the insurance premiums, etc., that each company presents in the competitive quotes, thereby restraining competition in the field of the specified comprehensive insurance for the refineries, contrary to the public interest.

(3) Non-Life Insurance with Japan Organization for Metals and Energy Security as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, Tokio Marine & Nichido Fire Insurance, and Kyoritsu regarding the specified insurance for the stockpiling bases, jointly made it possible to receive orders at the insurance premiums and the underwriting ratios that Mitsui Sumitomo Insurance, Sampo Japan Insurance, and Tokio Marine & Nichido Fire Insurance had previously assumed, thereby restraining competition in the field of the specified insurance for the stockpiling bases, contrary to the public interest.

(4) Non-Life Insurance with Sharp Corporation as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, and Tokio Marine & Nichido Fire Insurance, regarding the specified marine insurance, jointly made it possible to maintain premium levels by adjusting the estimated insurance premiums of each company, thereby restraining competition in the field of the specified marine insurance, contrary to the public interest.

(5) Non-Life Insurance with Keisei Electric Railway Co., Ltd as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, Aioi Nissay Dowa Insurance, and Tokio Marine & Nichido Fire Insurance, regarding the specified group comprehensive insurance, jointly agreed to decide prospective lead underwriter, to allow the prospective underwriter to be selected as the lead underwriter and to make it possible to contract on insurance premiums, etc., based on estimates set by the lead underwriter, thereby restraining competition in the field of the specified group comprehensive insurance, contrary to the public interest.

(6) Non-Life Insurance Ordered by Tokyo Metropolitan Police Department

Mitsui Sumitomo Insurance, Sampo Japan Insurance, and Tokio Marine & Nichido Fire Insurance, regarding the voluntary automobile insurance ordered by the Tokyo Metropolitan Police Department through the way of selective bidding on a voluntary basis, jointly agreed to decide prospective winner and to allow the winner to be successful in the bidding, thereby restraining competition in the field of the voluntary automobile insurance, contrary to the public interest.

(7) Non-Life Insurance for Metropolitan Hospitals Ordered by Tokyo Metropolitan Government

Mitsui Sumitomo Insurance, Sampo Japan Insurance, and Tokio Marine & Nichido Fire Insurance, regarding hospitals liability insurance ordered by the Tokyo Metropolitan Government, jointly agreed to decide prospective winner and to allow the winner to be

successful in the bidding, thereby restraining competition in the field of the hospital liability insurance, contrary to the public interest.

(8) Non-Life Insurance with Sendai International Airport Co., Ltd. as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, and Tokio Marine & Nichido Fire Insurance jointly agreed to increase insurance premiums and to make the insurance period of the special provisions for earthquakes one year by coordinating their quotations of the contract for renewal in 2022, thereby restraining competition in the field of the specified insurance, contrary to the public interest.

(9) Non-Life Insurance with Tokyu Corporation as the Policyholder

Mitsui Sumitomo Insurance, Sampo Japan Insurance, Aioi Nissay Dowa Insurance, and Tokio Marine & Nichido Fire Insurance jointly agreed to increase or maintain insurance premiums by coordinating their quotations of the contract for renewal in 2023, thereby restraining competition in the field of the specified insurance, contrary to the public interest.

2. The Points to be Noted Under the Act Regarding Coinsurance

The JFTC compiled the points to be noted under the Act regarding the origination and use of coinsurance for non-life insurance companies, non-life insurance representatives and policyholders. This was done to prevent violations of the Act, as many of the violations that were the subject of the cease and desist orders described in 1 above occurred during the process of originating coinsurance.

3. Request to the Financial Services Agency and the General Insurance Association of Japan

The JFTC requested the Financial Services Agency and the General Insurance Association of Japan to ensure that compliance with the Act is communicated to all non-life insurance companies and non-life insurance representatives, as well as members of the Association. This request was made because the violations occurred in relation to various non-life insurances, as described in 1 above.

\* This announcement is a tentative translation. Please refer to the original text written in Japanese.