

Introduction

EXPO2005 movable all risks insurance (Inland marine insurance) covers property damage to exhibits and fine art objects throughout the period of EXPO2005 on all risks basis.

The duration of EXPO2005 is as long as six months, during which time the Exposition venue is expected to be crowded with a huge number of visitors from around the world, including the Exposition staff. Accordingly, it is very important to be prepared for possible accidental damage to exhibits. General Regulations and Special Regulation No. 8 concerning insurance (hereinafter “SPECIAL REGULATION”) of EXPO2005 stipulate that all participants (*) are required to arrange movable all risks insurance (Inland marine insurance) on exhibits and fine art objects. (Articles 5 and 12, SPECIAL REGULATION) It is also stipulated that, in the event of accident, participant(s) shall waive their rights to other participants and to the Japan Association for the 2005 World Exposition (hereinafter the “Association”), except damage caused by willful act or gross negligence, so as to avoid disputes between and among the parties involved in the Exposition, for the smooth operation of the Exposition. (Article 6, SPECIAL REGULATION) Unlike other insurance policies generally offered, under this EXPO2005 insurance program, the insurer also waives their subrogation it will acquire through its payment in accordance with the provisions of waiver of subrogation endorsement.

This “EXPO2005” movable all risks insurance(Inland marine insurance) is exclusively designed to meet the requirements specified in SPECIAL REGULATION. This insurance is outlined below.

- * As used in this Guidebook, the term “participants” shall mean official participants in the Exposition, and other persons and related parties who conduct activities related to the Exposition on behalf of such official participants, in accordance with Article 2. 2 of SPECIAL REGULATION. Exhibitors are included in the definition of participants specified in Article 2.2.1 of SPECIAL REGULATION as “persons who place exhibits.”

- Attention -

This Guidebook outlines only the movable all risks insurance(Inland marine insurance) for exhibits and fine art objects specified in Article 12 of SPECIAL REGULATION. For details, read the general clauses of all risks insurance(Inland marine insurance) and its endorsements. General conditions will be distributed around Spring 2004.

Following insurance outline describes conditions for a standard movable all risks insurance(Inland marine insurance) policy. Some of these conditions may be modified for individual policies, based on agreement between insurer and policyholder. Modified conditions should be confirmed by general conditions and endorsements attached thereto for each insurance contract.

Insured Property

Properties to be covered by this insurance include:

1. Objects maintained on the Exposition site for the purpose of exhibition (including fine art objects)
2. Fine art objects maintained on the Exposition site for any purpose other than that specified in 1. above (for example, pictures placed within a restaurant as decorative articles) and worth 1 million yen or more per object

The following items are excluded:

- ① Animals (including fish and shellfish) and plants
- ② Raw materials used for demonstrating machines, instruments and equipment on the Exposition site, and products generated by such demonstration
- ③ Automobiles, vessels and aircraft

Sum Insured

Sum insured of this insurance should be agreed between the insurer and the policyholder, based on the replacement cost for exhibits other than fine art objects, or based on the objective appraisal value for fine art objects. (Article 12.2.2, SPECIAL REGULATION)

Duration of insurance (Insurance Period)

The insurance must be in effect from the time of unloading of the insured property from the carrying equipment on the Exposition site, until their loading into the carrying equipment for removal from the Exposition site.

The insurance period may be extended at the request of the policyholder with additional premium that covers risks during transportation to and from the Exposition site.

Damages covered by this insurance (Scope of coverage) (proposed at this time)
--

This is "all risk" type insurance that pays insurance money for any damage caused to property insured by casual accident, except cases specified in the next section, "Damages not covered by this insurance." In addition to the value of the damaged property, the following costs are also included in the insurance money to be paid.

- (1) Sue and labor charges (Costs incurred to prevent expansion of damage or mitigate the damage, and deemed by the insurer necessary and effective)
- (2) Extra expenses (Extra expenses borne in case of accident)
- (3) Costs of removal of debris (Costs incurred to demolish insured properties or remove remains of insured properties as a result of damage coverable by this insurance)

Major damages not covered by this insurance (proposed at this time)
--

Insurance money will not be paid for damages attributable to the following:

- (1) Damage caused by willful act or gross negligence on the part of the policyholder, the insured or any other beneficiary of the policy (hereinafter, "beneficiary"), or their respective legal representatives (if the legal representative is a corporation, any director, trustee or any other organ performing the business of such corporation). Provided, however, that if such damage is caused by willful act or gross negligence of beneficiary or his legal representative, this refusal of payment applies only to the amount to be receivable by such beneficiary.
- (2) Damage caused by willful act of any employee of any person listed in (1) above, unless such willful act is conducted for the purpose of gaining benefit for the employee himself or for others.
- (3) Damage caused by fraud or embezzlement
- (4) Damage caused by lost or mislaid
- (5) Damage caused by defect in the insured property, or by wear and tear or degradation of the insured property, or by deterioration of quality or function due to use, or dry rot, mold, deterioration, discoloration, rust, corrosion, cracks or distortion caused by temperature, humidity, or atmospheric pressure or fluctuation thereof, or any other similar cause
- (6) Damage caused by electrical or mechanical accident to an insured property not directly attributable to an external cause, unless a fire, burst or explosion occurs as a result of such

accident.

- (7) Damage caused by infestation of vermin, rats or mice
- (8) Damage caused by shortage of quantities found on inspection
- (9) Damage caused after the actual processing has begun where the property insured is undergoing a manufacturing process (excluding repair work)
- (10) Damage caused by operational error or poor skill during repair, cleaning or any other handling of the insured properties, unless fire, burst or explosion occurs as a result of such accident
- (11) Damage caused by war, reprisal by a foreign country, revolution, government takeover, civil war, armed rebellion or any other similar incident or riot (being defined as a serious condition where the public peace and order of the whole country or some areas of the country disturbed by acts of mobs or large groups of people)
- (12) Damage caused by earthquake, volcanic activity, or tsunami resulting from such activity
- (13) Damage caused by an accident involving radiation, explosion or any other harmful effect of a nuclear fuel material (including spent nuclear fuel) or a substance contaminated by a nuclear fuel material (including products generated by atomic fission)
- (14) Damage caused by attachment, confiscation, commandeering, destruction or exercise of any other similar public power by the government or public authority, excluding damage caused by fire fighting or necessary actions taken for evacuation
- (15) Single incident of damaged electric bulbs, or damage to the exterior of an insured property that has no direct adverse effect on the function of the property
- (16) Damage caused by shoplifting, or any other act of stealing not involving encroachment, assaults or threats
- (17) Damage caused by stealing or any other dishonest act by any employee or other related party of the policyholder, the insured, or the beneficiary, conducted individually or in conspiracy
- (18) Damage caused by devaluation of fine art objects etc.
- (19) Damage caused by snapping of a string or tearing of the skin of an insured music instrument, or change in the tone or sound quality of such music instrument
- (20) Damage caused by inclusion of foreign materials, lowering of purity, chemical change, loss in weight etc.
- (21) Damage caused by terrorism

Insurance money to be paid

If damage is caused to insured properties by an accident coverable by this insurance, insurance money will be paid in accordance with the following standards:

1. Physical damage claim cost

- (1) Physical damage claim cost will be determined based on the replacement cost of the damaged property within the Exposition site.
- (2) If the damage to the insured property is repairable, physical damage claim cost will be determined as the cost necessary to restore the insured property to the state immediately before the damage.
- (3) If the insured property consists of a set of or a pair of items, and if any part of such set or pair is damaged, the physical damage claim cost will be determined considering the effect of such damage on the entire set or pair. Such damage to part of a set or a pair is not deemed total loss in any case, unless the cost of repair exceeds the replacement cost of such insured property.
- (4) If the coverage amount agreed to under the insurance contract is short of the replacement cost of the insured property, insurance money to be paid will be reduced in accordance with the ratio of such shortage.

2. Extra expenses

An amount equal to 30% of the physical damage claim cost will be paid as extra expenses, which will not exceed 3 million yen in any case.

3. Cost of removal of debris

The actual cost incurred for removal of debris of damaged properties or an amount equal to 10% of the physical damage claim cost, whichever is lower, will be paid.

Procedures to make application of Insurance

This movable all risks insurance(Inland marine insurance) is offered by the EXPO2005 Property Insurance Underwriters, consisting of property insurance companies selected by the Association (Organizer), through public invitation and examination, from among insurers licensed to conduct insurance business in Japan to undertake insurance and handling of claims related to EXPO2005. The managing underwriter is the Mitsui Sumitomo Insurance Co., Ltd.

To make application of this insurance, official participants must enter necessary information in the Official Participant's Application for Insurance (attached to the Outline of Insurance for Official Participants), and submit it to the Insurance Team, Finance Group of the Japan Association for the 2005 World Exposition. Applications will be handed to the Underwriters, who will then issue appropriate policies to the applicants.

Regarding questions on this insurance, contact the following office:

[Contact]

**"EXPO2005" Property Insurance Underwriters
Managing underwriter of movable all risks
insurance(Inland marine insurance)**

**Nagoya Commercial Production Dept. 2nd, Nagoya
Commercial Business Division
The Mitsui Sumitomo Insurance CO., LTD.**

1-2-1, Nishiki, Naka-ku, Nagoya City 460-8635

Considerations for Concluding a Contract

1. When applying for this insurance, you must carefully confirm the correctness of the information on the application form. If you do not disclose necessary information you are aware of, or if you engage in misrepresentation, payment of insurance money may be refused. You must also report any other insurance policies maintained for the properties to be covered by this insurance.
2. If any of the following changes occurs after the conclusion of an insurance contract, you must immediately report it to the agency or the contact office specified above. If you fail to make such report, payment of insurance money may be refused for damage caused after occurrence of such change.

- Assignment of an insured property
- Change in purpose of use or storage place of an insured property
- Change in structure of the storage place, or rebuilding of or addition to the storage place
- Change in any other material information indicated in the insurance policy or the application for insurance

Procedure to be Taken in Case of Accident

1. Actions to be taken in case of accident

- (1) If an accident occurs, confirm the circumstances of the accident carefully to determine whether it is coverable by this insurance. If it is coverable by this insurance, report the following information to the Underwriters promptly, in an accident report (You may use any format as long as all items of information listed below are described.)
 - ① Date and time of accident
 - ② Place of accident
 - ③ Description of damaged properties, and extent and other conditions of damage
 - ④ Description of accident
 - ⑤ Cause of accident
- (2) Take photographs of the accident scene.
- (3) The policyholder should provide full cooperation in the accident cause and damage investigation to be conducted by the managing underwriter.

2. Procedure for claiming insurance money

The claimant must prepare and submit documents necessary for making an insurance claim. Necessary documents will be designated by the Underwriters.

Regarding accident report and questions on insurance claim, contact the following office:

[Contact]

**“EXPO 2005” Property Insurance Underwriters
Managing underwriter of movable all risks insurance(Inland
marine insurance)**

**Fire Insurance New Insurance Service Center, Nagoya
Corporate Damage Service Division
The Mitsui Sumitomo Insurance CO., LTD.**

1-2-1, Nishiki, Naka-ku, Nagoya City 460-8635

TEL 052-203-3531

FAX 052-203-3097

Representation on Coinsurance

This movable all risks insurance(Inland marine insurance) is co-insurance offered by the above-mentioned Underwriters consisting of the Mitsui Sumitomo Insurance Co., Ltd.(serving as managing underwriter) and 16 other property insurance companies. The managing underwriter will receive premiums and issue insurance policies on behalf of the other underwriters. Each underwriter will assume obligations severally (not jointly) in proportion to its participation in this insurance.

The policyholder must understand that if any underwriter goes bankrupt, the insurance money or cancellation refund may be reduced depending on the loss status of the bankrupted insurer. Payment of insurance money or cancellation refund may also be suspended temporarily.

Insurers
Aioi Insurance, Company, Limited ALLIANZ FIRE AND MARINE INSURANCE JAPAN LIMITED Assicurazioni Generali S.p.A. Hyundai Marine & Fire Insurance Co., Ltd. Ji Accident & Fire Insurance Co., Ltd. Kyoei Fire & Marine Insurance Co., Ltd. NIPPONKOA INSURANCE CO., LTD. Nissay Dowa General Insurance Co., Ltd. SECOM GENERAL INSURANCE COMPANY, LIMITED SOMPO JAPAN INSURANCE INC. Mitsui Sumitomo Insurance Company, Ltd. The Asahi Fire & Marine Insurance Co., Ltd. THE FUJI FIRE AND MARINE INSURANCE COMPANY, LIMITED The New India Assurance Co., Ltd. The Nichido Fire and Marine Insurance Company, Limited The Nisshin Fire & Marine Insurance Co., Ltd. THE TOKIO MARINE AND FIRE INSURANCE CO., LTD.