

## Outline of Optional Insurance

This guideline describes optional insurance according to the condition of SPECIAL REGULATIONS No. 8 concerning insurance (hereinafter "SPECIAL REGULATIONS"):

- (1) Major optional insurance policies that may be taken out by the Association and participants to the exposition are as shown below (Article 14):

Automobile insurance (excess of mandatory coverage), aviation insurance, boiler and machinery insurance, movables comprehensive insurance, marine cargo insurance, transit insurance, burglary insurance, glass insurance, bond insurance, fidelity insurance, personal accident insurance, workman's comprehensive insurance (excess of mandatory coverage)

- (2) These insurance policies are outlined below.

1) Automobile insurance (excess of mandatory coverage)

a. Automobile bodily injury liability insurance

If the insured inflicts injury or death on any other person in a car accident and becomes liable for loss or damage caused by the accident, insurance money exceeding the coverage of the Compulsory Automobile Liability Insurance will be paid.

b. Self-sustained personal accident insurance

This insurance covers damage caused by a self-sustained personal accident (such as running into a telephone pole, or falling over a precipice). If the owner or the driver of the insured car or any passenger in the insured car dies or is injured in such a self-sustained personal accident, insurance money to compensate for the damage caused by such death or injury will be paid in cases in which the liability stipulated in Article 3 of the Automobile Liability Security Law does not apply. The maximum insurance money paid for each injured or deceased person is ¥15 million in any case.

c. Personal accident insurance for damage caused by non-insured

This insurance covers damage inflicted in a car accident caused through the fault of an uninsured car. Insurance money will be paid to the insured if the insured is entitled to make legal claim for damage suffered by the insured or additional insured, as indicated in the policy or any passenger in the insured car, resulting from a death or aftereffect caused by the car accident, but cannot recover appropriate compensation because the car at fault in the accident is not covered by bodily injury liability insurance. The maximum insurance money paid for each injured or deceased person is ¥200 million if limitless coverage is stipulated in the automobile bodily injury liability insurance maintained by the insured, or the amount equal to the definite coverage amount set in the automobile bodily injury liability insurance maintained by the insured.

d. Automobile property damage liability insurance

Insurance money is paid under this policy if the insured inflicted damage to any property of any other person in a car accident and is legally liable for such damage.

e. Passengers' personal accident insurance

Insurance money is paid under this policy if any passenger in the insured car dies or is injured in a car accident involving the insured car.

f. Automobile physical damage insurance

Insurance money is paid under this policy if the insured car is damaged or lost in a collision, scraping, fire, theft, typhoon, flood, high tide or any other accident.

2) Aviation insurance

The term “aviation insurance” collectively refers to all kinds of insurance policies covering various risks incurred relating to aircraft and transportation by air.

They are classified into the following categories according to coverage:

- a. Property insurance (for aircraft bodies or cargo transported by air)
- b. Insurance covering liability for damage to others (passengers and third parties)
- c. Insurance covering passenger injury or death
- d. Insurance covering cost of search and rescue in case of aircraft accidents

3) Boiler and machinery insurance

This insurance covers risks inherent in machinery. Operating machines have inherent risks beside fire, such as misoperation by the operator (operation risk), electric accident and defect in fabrication or materials (manufacturer risk). Damages caused by these risks are not covered by fire insurance, excepting fire, lightning, burst and explosion. Machinery insurance therefore covers these risks inherent to machinery, together with risk of fire, to compensate for damages caused by accident as well as the cost of restoring damaged machinery to its original state.

The cost of restoration paid under this insurance includes not only cost of materials as property damage but also labor cost, dismantling cost, fabrication cost, transportation cost and other costs necessary for restoration.

4) Movable comprehensive insurance

This insurance covers almost all risks (such as fire, theft, damage and transportation) to almost all movable properties including commodities, furniture and fixtures, cash and machines, irrespective of place of accident. (However, automobiles, vessels, aircraft and fixed machinery are excluded from coverage by this insurance because there are other insurance policies specifically designed for these properties.)

Participants in the exposition and the Association are required to take out “Movable Comprehensive Insurance for Exhibits and Fine Arts.”

5) Marine cargo insurance

Marine insurance is classified into two major categories: marine cargo insurance and hull insurance. Marine cargo insurance literally covers comprehensive damage caused by marine risks such as sinking, stranding, fire and explosion, to cargo transported by sea. The coverage period of this type insurance is generally one voyage (generally one year for hull insurance). However, because transportation of cargo usually starts and ends in land transportation, marine insurance, in many cases, also covers risks related to land transportation before and after the marine transportation concerned, for example, by stipulating “coverage from the shipping warehouse to the receiving warehouse.”

6) Transit insurance

This insurance covers in-transit damage to machinery, foods and other cargo due to accident, theft, loss or other causes incident to the transporting media (trucks, freight cars, ferry boats, aircraft etc.).

An owner who entrusts transportation of a cargo to a forwarding agent can claim damage from the forwarding agent if the cargo is damaged during transportation. However, the owner can feel more secure by maintaining insurance against the possible inability of the forwarding agent to make such payment. On the other hand, the forwarding agent should also take out this insurance to prepare for offsetting liability for damage caused by possible accidents. To ensure the security of cargo during transportation, the owner of the cargo should therefore take out transit insurance directly for his cargo, or the forwarding agent should take out insurance naming the owner as the beneficiary (insured).

7) Burglary insurance

This literally covers risk of burglary. Direct loss or damage (including spoilage) caused by burglary or theft of property installed or stored in the insured premises will be compensated. Properties covered by this insurance include household articles and commodities maintained in households, commodities, consigned goods, materials, products, equipment, supplies etc. stored in offices, warehouse and plants. However, because the value and current balance of noble metals, jewelry, art objects, cash etc. is difficult to determine, careful consideration should be given when taking up burglary insurance for such items.

8) Glass insurance

This insurance covers damage caused by accident to glass installed in buildings, equipment or fixtures. Properties covered by this insurance include glass generally affixed to buildings (such as show windows and mirrors) and glass installed in attached structures of buildings (such as doors and showcases).

9) Bond insurance

Bond insurance includes bid bond insurance, performance bond insurance and other types of bond insurance.

Under bid bond insurance, insurance will be paid if the insured suffers damage in connection with the conclusion of a contract by the insured (the offerer of a bid) with any person other than the successful bidder due to the failure of the successful bidder to conclude a contract.

Under performance bond insurance, insurance will be paid in the event that the insured (as a person who placed an order) suffers damage caused by failure of the person who accepted such order to fulfill the obligations under the contract or purchase agreement executed for such order.

10) Fidelity insurance

One example of fidelity insurance is fidelity credit insurance.

Under fidelity credit insurance, insurance will be paid if the insured (as an employer) suffers damage due to dishonest acts (such as theft, burglary, fraud, embezzlement or

malpractice) by his employees, whether conducted individually or in conspiracy.

11) Personal accident insurance

Personal accident insurance compensates for damage to the insured who suffers injury, death, aftereffect or hospitalization, or who receives outpatient medical treatment as a result of abrupt and external accident, by paying benefits according to the level of damage and to the extent predetermined under the insurance contract.

There are several types of personal accident insurance, such as ordinary personal accident insurance, traffic personal accident insurance and overseas travelers' personal accident insurance. The proper type of insurance should be selected, depending on the coverage needed. Ordinary accident insurance covers various types of personal injury accidents both inside and outside Japan, irrespective of whether or not such accidents occur during performance of a job. Traffic personal accident insurance covers personal injuries caused by traffic accidents within Japan. Overseas travelers' personal accident insurance is a time policy that covers personal injuries during travel, from departure from home to return home.

12) Workman's comprehensive insurance (excess of mandatory coverage)

This insurance is taken out by employers as complementary compensation for the death or disability of an employee as a result of occupational accident or illness, in addition to the benefit paid under the mandatory workman's compensation insurance.

Although a benefit will be paid under the mandatory workman's compensation insurance, the settlement money agreed with the disabled employee or the bereaved family is rarely covered by such benefit. The portion exceeding the benefit paid under the mandatory insurance will be covered by this insurance.