Special Account for Earthquake Reinsurance

- **Purpose of the Special Account for Earthquake Reinsurance**
  With the Niigata Earthquake of 1964 as a turning point, the Special Account for Earthquake Reinsurance was established in 1966 for the purpose of clarifying the accounting for the Earthquake Insurance system whereby the government reinsures massive earthquake damage in excess of a certain amount.

- **Business and undertakings accounted for in the Special Account for Earthquake Reinsurance**
  For the purpose of contributing to stabilizing the livelihoods of the affected by earthquakes, the government reinsures the earthquake insurance liabilities underwritten by private insurance companies. It receives and manages reinsurance premiums, and accounts for them separately in the Special Account for Earthquake Reinsurance so that it can pay out reinsurance benefit at the time when massive earthquakes occur, to which the private sector alone cannot respond.

  All insurance premiums general insurance companies have received from policyholders are reinsured by Japan Earthquake Reinsurance Co., Ltd. (JER). JER divides them into the portion held by JER itself, the portion reinsured again by general insurance companies, and the portion reinsured by the government (Special Account for Earthquake Reinsurance), in proportion to their respective liability.
Outline of revenues and expenditures in the Special Account for Earthquake Reinsurance (FY2020 budget)

**Total revenues**: 123,898 million yen

**Total expenditures**: 123,898 million yen

- **Revenue from reinsurance premiums**: 95,724 million yen
- **Special Account for Earthquake Reinsurance**: 123,808 million yen
- **Miscellaneous revenues** (Interest income on deposits, etc.): 28,174 million yen
- **Administrative costs, etc.**: 89 million yen

Note: Figures have been rounded down to the nearest one million yen.