

December 8, 2006

To whom it may concern:

Mitsui Sumitomo Insurance Co., Ltd.

**Date of Conclusion of Investigation regarding Failure to Properly Pay Claims of  
Extraordinary Expenses Coverage**

Mitsui Sumitomo Insurance Co., Ltd. ("the Company") (President and CEO Toshiaki Egashira) internally deliberated on matters related to the date of conclusion of the investigation regarding failures to properly pay claims for extraordinary and other incidental expenses under Extraordinary Expenses Coverage, and today reported the matters to the Financial Services Agency ("FSA") of Japan, pursuant to the FSA's order dated November 17, 2006 calling for such report. Here is a summary of the report as follows:

**1. Summary of the Report**

(1) Final Date of Conclusion of the Investigation

- (i) The Company will complete the internal documentary review by December 31, 2006.
- (ii) The Company will complete all necessary investigation by February 15, 2007, after confirming the eligibility and amount due for each claim with the relevant customers.

(2) Reasons for (1) above

The Company will conduct an additional investigation in respect of such potential concurrent claims under automobile policies that have not yet been examined as described below;

- First party bodily injury claim (where bodily injury liability claim has been paid for fellow passenger's bodily injury)
- Bodily injury liability claim (where first party bodily injury claim has been paid for fellow passenger)
- Bodily injury liability claim (where first party medical payments coverage claim has been paid for fellow passenger)
- First party bodily injury claim (where first party medical payments claim has been paid)
- uninsured and under insured mortorist claim (where first party bodily injury claim has been paid)
- uninsured and under insured mortorist claim (where first party medical payments coverage claim has been paid)

In this additional investigation, the Company has been fully engaged, setting up an intensive investigation center within the Head Office, in order to make timely and sincere effort towards resolving such payment failures and serve relevant customers promptly and properly. Initial check has been finished at each service center, and the results are now being examined at the intensive investigation center at the Head Office. The Company expects that it will be able to

confirm the eligibility and amount due for all claims with the relevant customers by the deadline above, except for unusual cases.

(3) Approach to Future Investigation

In respect of cases requiring confirmation with relevant customers following the investigation, the Company will start contacting the customers on December 13 except for some cases. Meanwhile, each case determined ineligible after confirming the facts with the relevant customers will be forwarded to the Head Office for the Claims Handling Examination Department to examine the appropriateness of such determination. Through this multi-leveled checking system, the Company intends to improve the investigation accuracy.

(4) The Company's Position towards Publication by the FSA

The Company notified the FSA that the Company has no objection to the FSA's publication of the Company's report.

## **2. Customer Service**

Unlike conventional loss adjustment where mere examination of relevant documents enables the Company to determine whether or not a claim is eligible, adjusting actual loss calls for customers' cooperation in conducting necessary investigation. The Company therefore will take great care in serving relevant customers as follows:

- An employee of the Company will directly notify each customer and sincerely express our apology. Then the employee will explain sufficiently to make insurance scheme understood before obtaining cooperation.
- Loss adjustment often entails certain burden on customers, such as confirming facts and providing written consent permitting the Company to obtain information from another insurer or a medical institution.
- As loss adjustment may result in denial in spite of the customer's carrying the burdens such as fact confirmation, the Company will take great care in giving sufficient explanation to make such possibility understood before obtaining cooperation.

## **3. Preventive Measures against Payment Failure**

To prevent failure to properly pay potential concurrent claims such as above, the Company has launched the reestablished claims handling administration system in line with the Business Improvement Plan.

Specifically, the Company monthly retrieves potentially unsatisfied concurrent claims with the monitoring support system for claims handling administration, checks them at each service center and then examines the results at the Claims Handling Examination Department.

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