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## **A Comparative Analysis of Cooperative and Business Insurers in the Japanese Insurance Market**

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### **Abstract:**

In this paper, we examine competition in insurance markets containing both cooperative insurers (an organization similar to a mutual insurance company owned by some restricted membership) and business insurers (insurance companies owned by members in a mutual form or stockholders in a stock form). Although both types of insurers sell similar products, they display some unique characteristics. To start with, cooperative insurers only sell products to their restricted membership, whereas business insurers sell their products to any potential customers in the market. In addition, the operating costs of cooperative insurers are generally lower. To understand better these differences between cooperative and business insurers, we construct an economic model and conduct comparative statics to identify the characteristics of the equilibrium insurance premium.

### **Keywords:**

Insurance, Cooperative insurers, Business insurers, Insurance market, Economic analysis, Japan

### **JEL Classification:**

G22, L13, P13