



FALIA Invitational Seminar in Japan
“FALIA Forum”

**Product Strategy that supports
Concept of “Total Life Planning”
and Customer Protection**

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1. Transition of Main Products of Dai-ichi Life
2. Product Lineup with a View towards Changes in the Social Environment.
3. Customer Protection in Product Development
4. Riders Underpinning Total Life Plans
5. Future Direction of Product Development Strategies

1. Transition of Main Products of Dai-ichi Life

一生涯のパートナー

第一生命

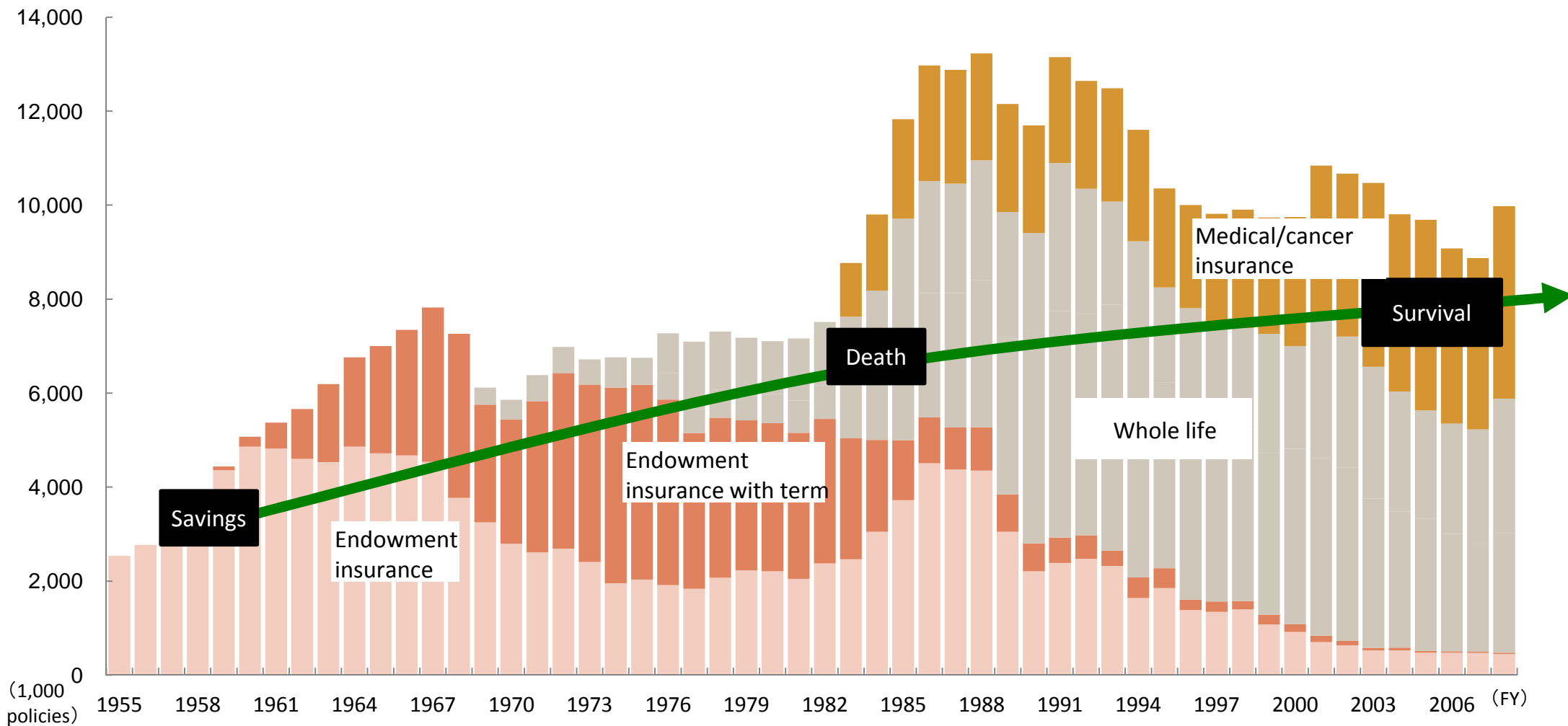
1. Transition of Main Products of Dai-ichi Life

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◎ Changes in main products of Japanese life insurers

■ individual insurance # of New business (private insurance)



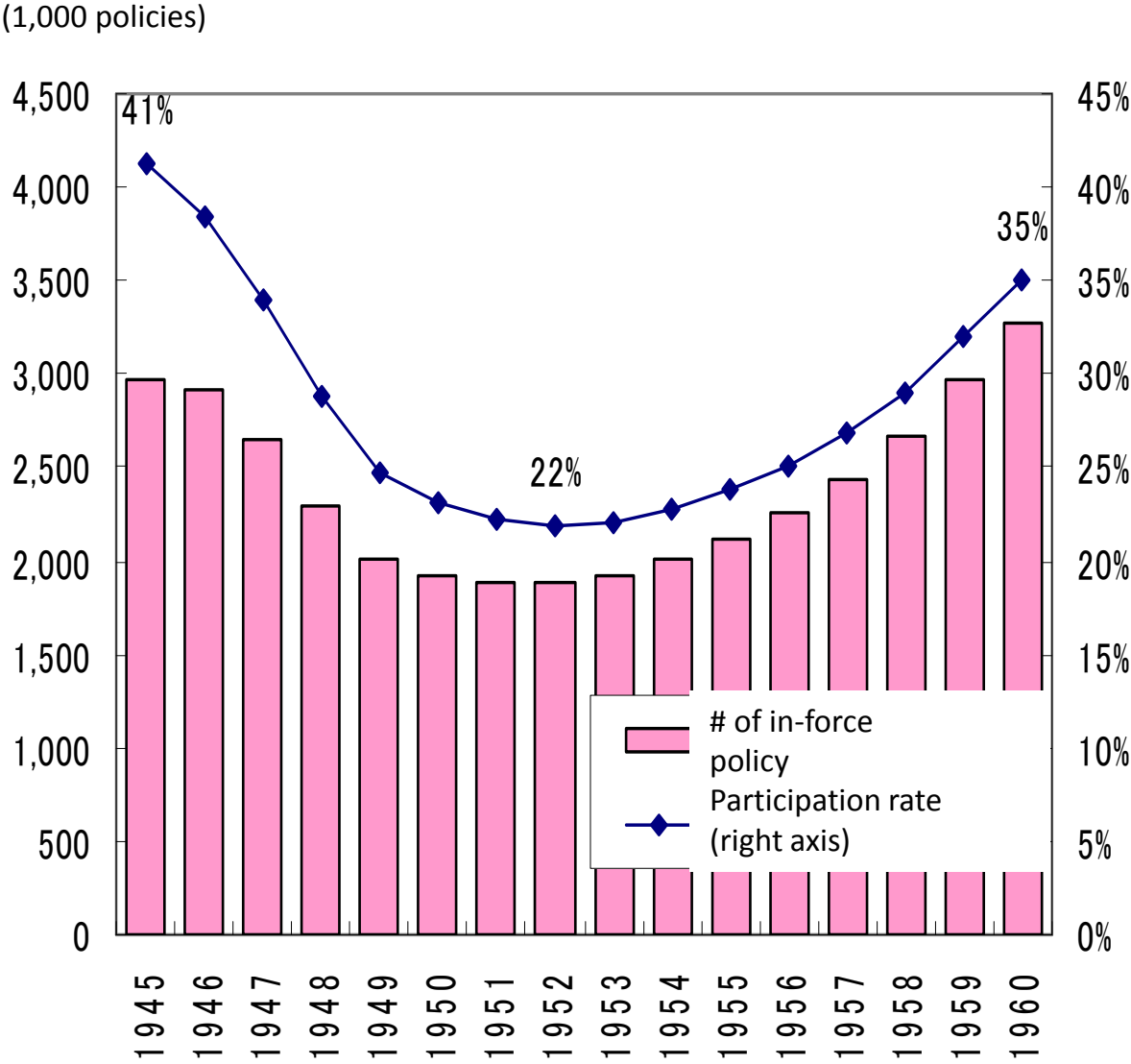
(Notes) Lists the sales results for individual insurance for national insurance on the whole (excluding annuities).

The above results are for major products only, they do not cover all individual insurance products.

1. Transition of Main Products of Dai-ichi Life

◎ Customer Base Expansion Period

■ 1950s Customer Base Expansion Period



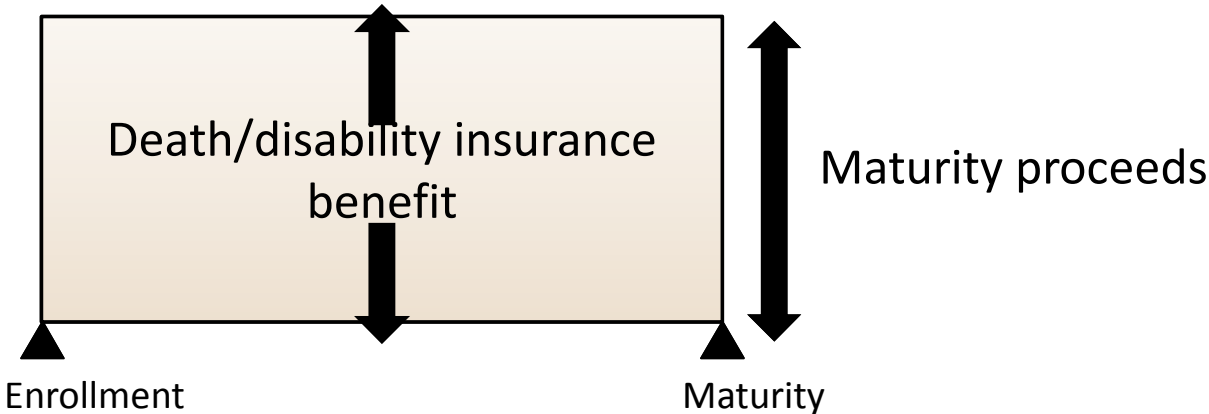
Economic climate
Chaos after World War II (-1945)

- Response of insurance companies**
- Rapid decrease of a covered population ratio
 - Life insurance companies ...
 - Enhanced female sales staff employment
 - Sales channel introduced a monthly premium payment and money-collecting system, which enabled periodic contact with customers in order to expand customer base.
 - Insurance sold was mainly level premium saving products such as
 - ✓ Endowment insurance
 - ✓ Juvenile insurance

1. Transition of Main Products of Dai-ichi Life

◎ Main Products Sold in 1950s

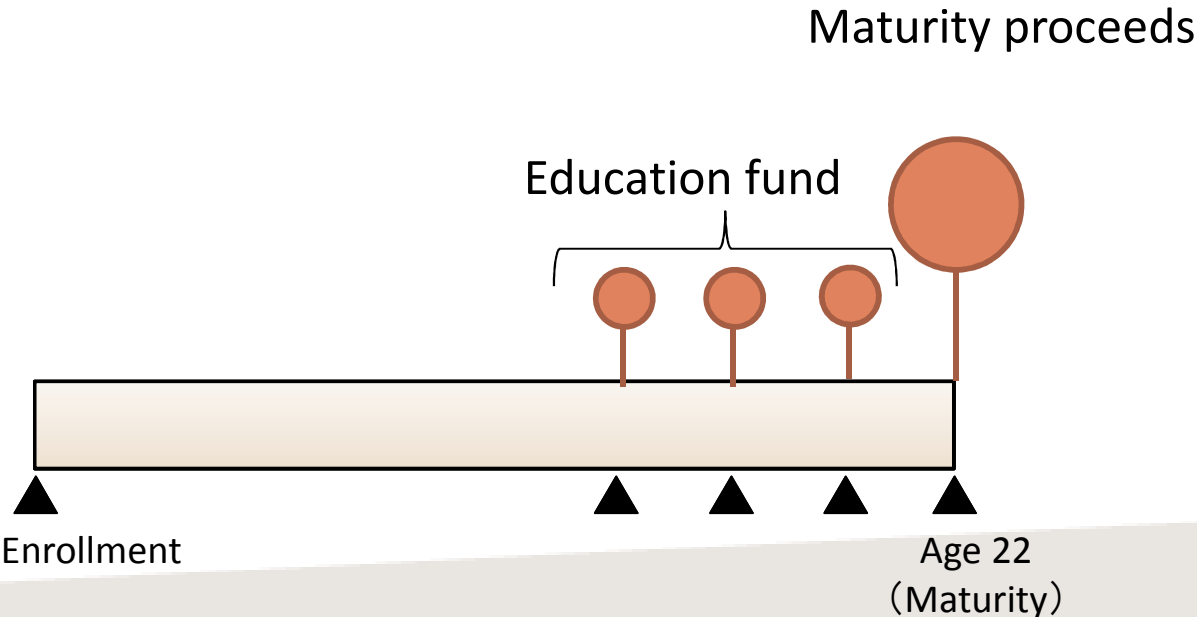
■ Endowment insurance



< Product features >

- In preparation for a certain period of death/disability conditions. When corresponding to the condition, the death/disability benefit will be provided.
- When reaching maturity, the maturity proceeds, which are the same amount as the death/disability insurance benefit, will be provided.

■ Juvenile insurance



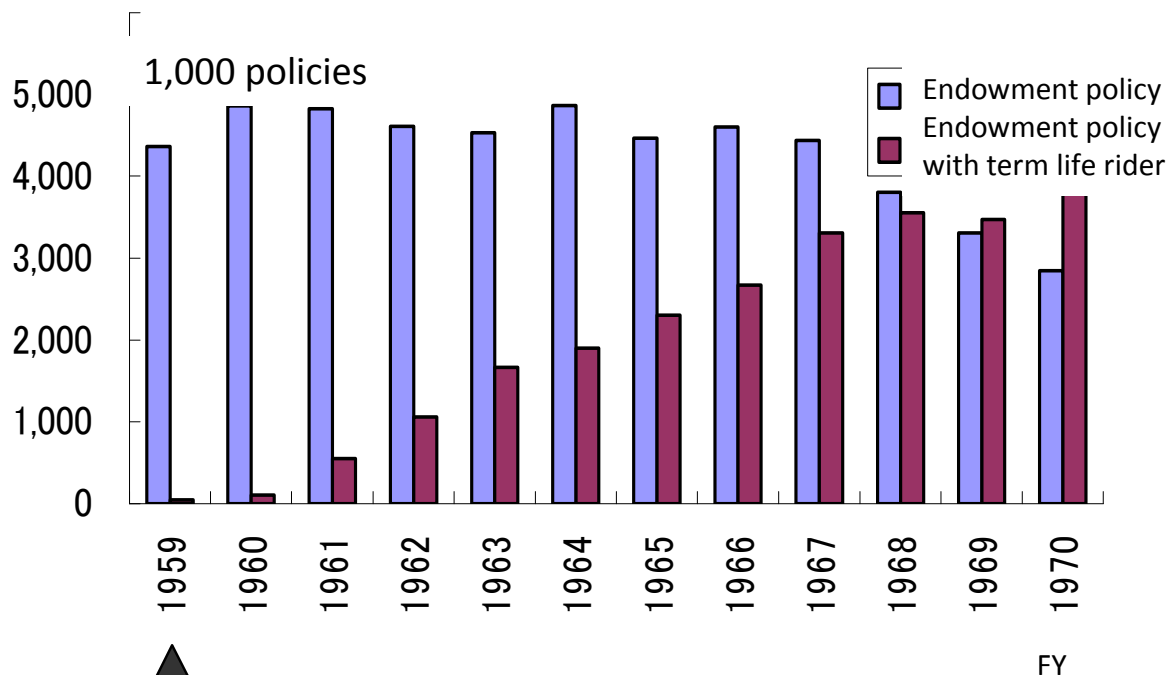
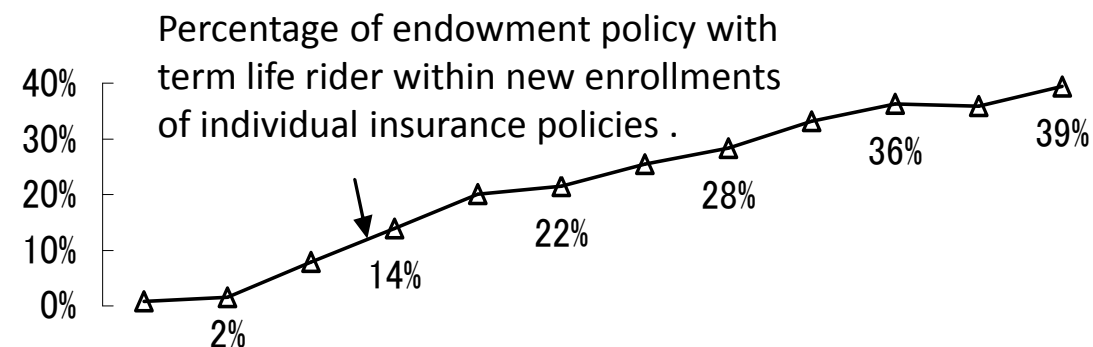
<Product features>

- Education fund and maturity proceeds will be provided in time with sending a child to a high school or college.
- In cases such as the policyholder's (father/mother) death, the premium will be waived.

1. Transition of Main Products of Dai-ichi Life

◎ The dawn of death protection sales

■ 1960s The dawn of death protection sales



▲
 Launch of Nippon Life
 "Kurashi no Hoken"
 Launch of our "Special
 premium insurance"

→ Increased sales of the endowment policy with term life rider

Economic climate

- Rapid economic growth era (price rise and income level increase)
- Urban population growth, and increased trend in nuclear families

Response of insurance companies

- Rapid expansion of sales agent employment by each company
- Preparation of an educational system and a performance system for sales agent
- Higher level of coverage can be provided. Endowment policy with term life rider was launched.
- Due to such efforts, expansion of protection type products began.

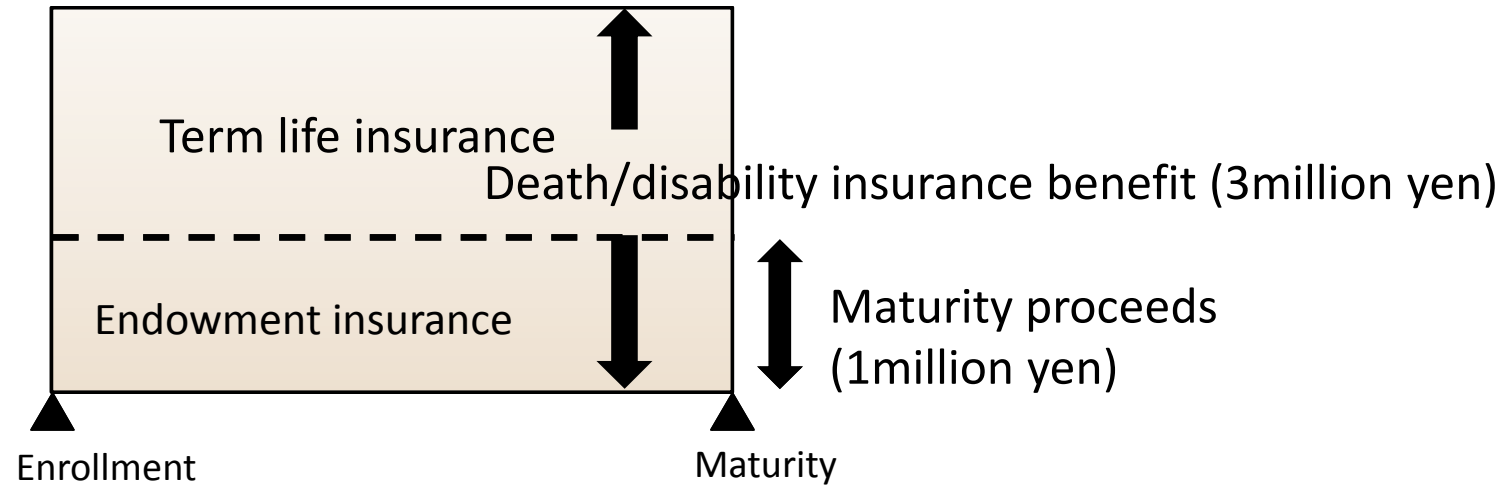
1. Transition of Main Products of Dai-ichi Life

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◎ Main Products Sold in 1960s

■ Endowment policy with term life rider (example)



<Product features>

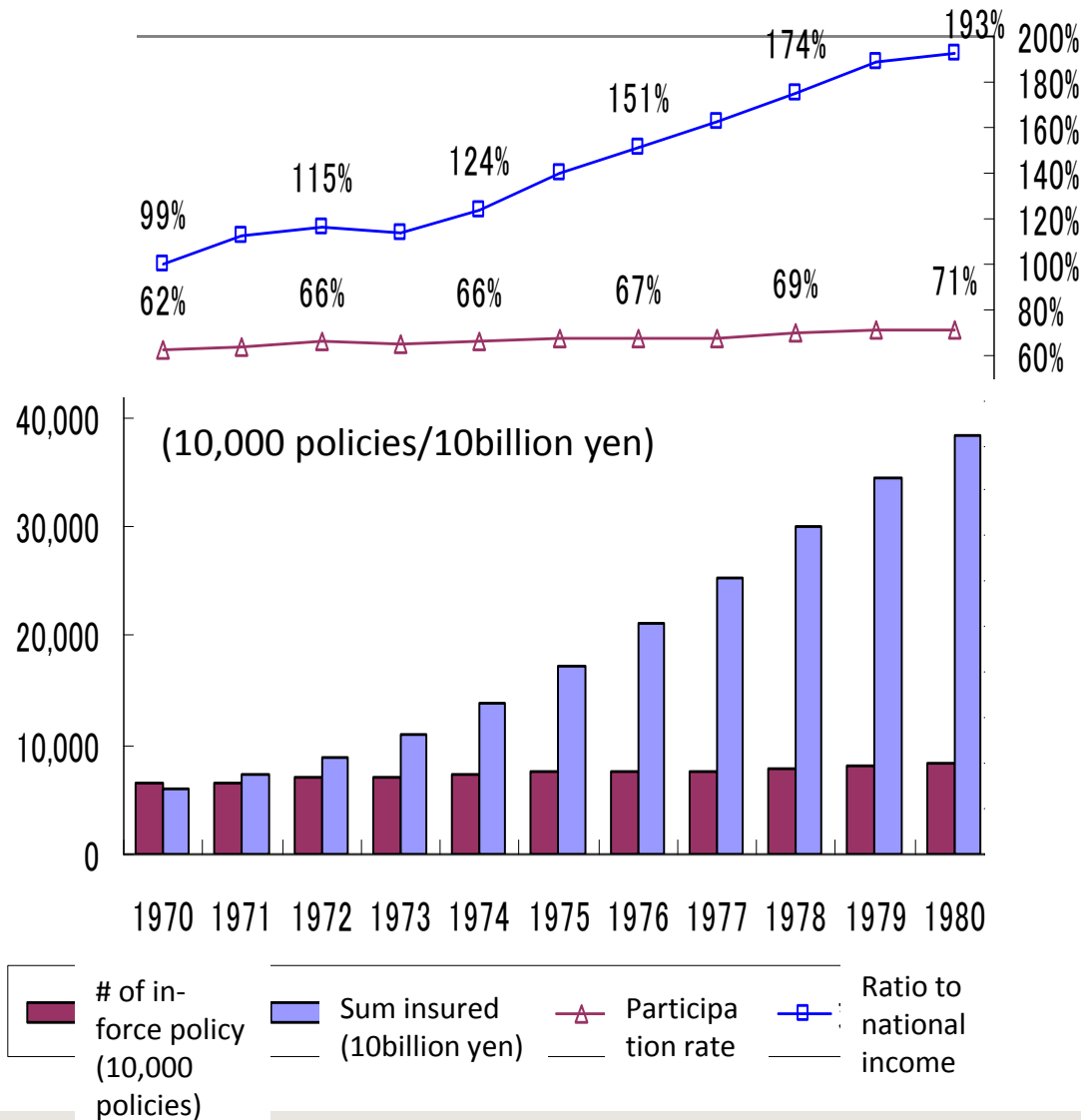
- Combination of endowment insurance and term life insurance.
- Better coverage for death/disability
- When reaching maturity, the maturity proceeds will be provided.

1. Transition of Main Products of Dai-ichi



◎ Period with increased sales of death protection

■ 1970s Period with increased sales of death protection



Economic climate

- End of the rapid economic growth era
- Covered population ratio of life insurance is headed off.
- No growth in holder numbers of private insurance companies

Response of insurance companies

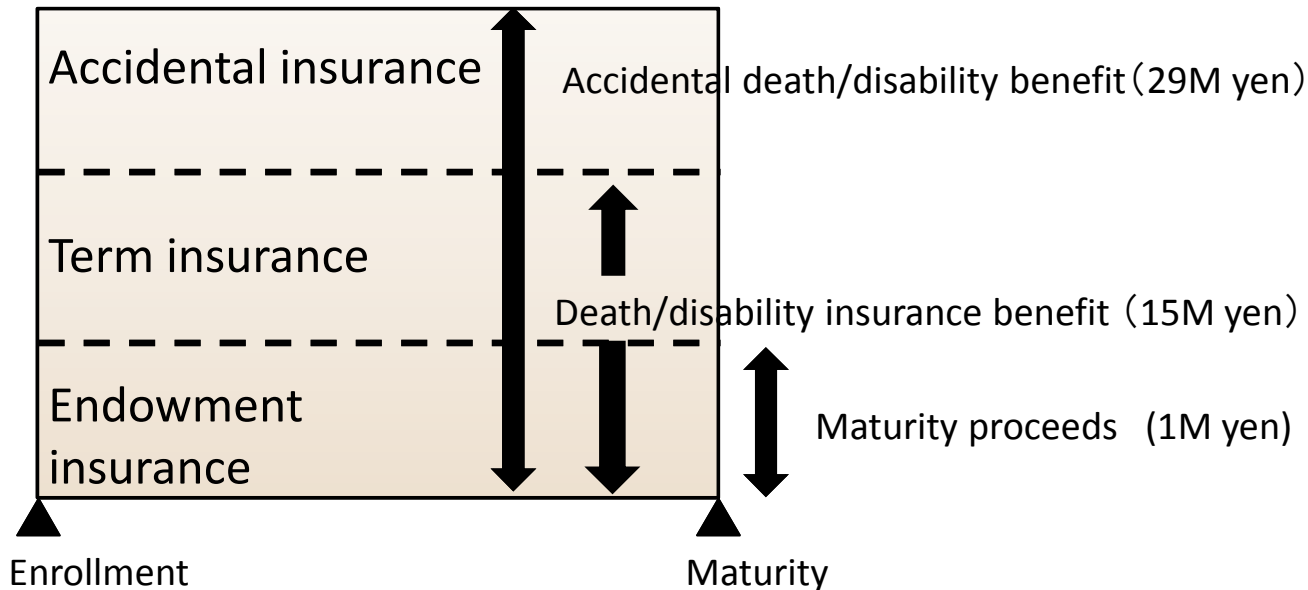
- Enhancement of a sales staff system
 - Change to a day shift worker system
 - Consolidation of a base of worksite
 - Enhanced promotion for existing customers
 - Enhancement of supporting shop (referrals)
- Higher amount of term rider in the endowment policy, aimed at business growth

“Triple type” endowment policy with term life rider → “10-fold to 15-fold type”
- Attempt to increase contract amount, while the customer number remained almost unchanged.

1. Transition of Main Products of Dai-ichi Life

◎ Main Products Sold in 1970s

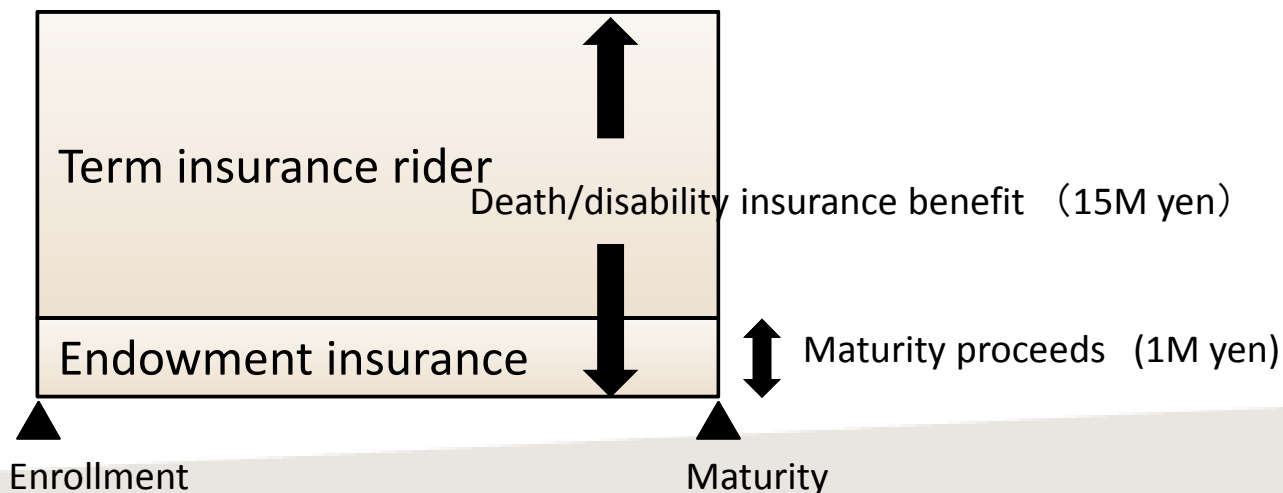
■ Special coverage premium insurance (example)



<Product features>

- Combination of endowment insurance, term life insurance, and Accidental insurance
- Better coverage for death/disability
- Better coverage for accident.
- When reaching maturity, the maturity proceeds will be provided.

■ Endowment insurance with term (example)



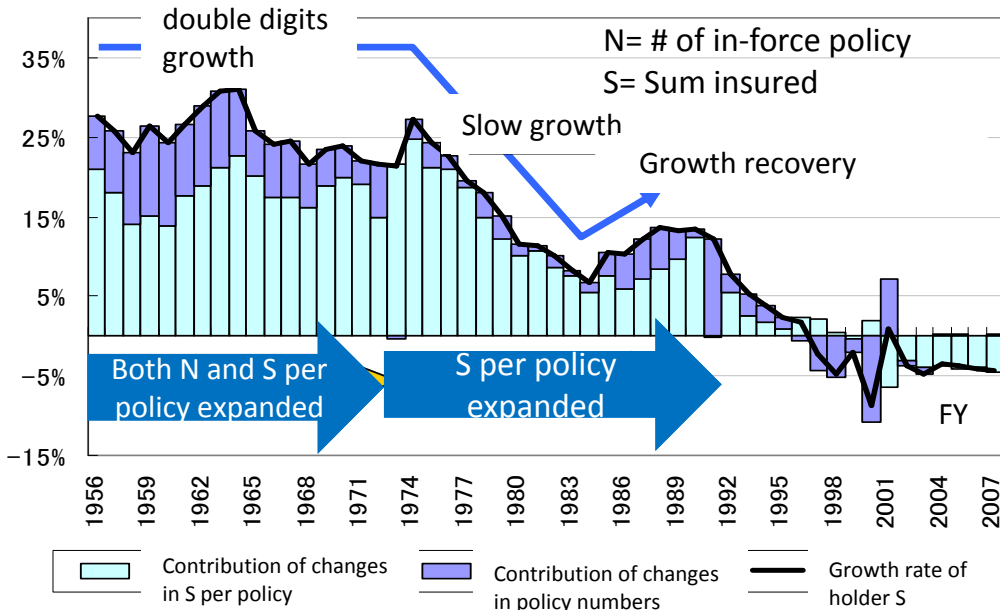
<Product features>

- A term life rider is detached from the endowment policy, and this provided more flexibility in product design.
- Better coverage for death/disability, with higher ratio than conventional ones.
- When reaching maturity, the maturity proceeds will be provided.

1. Transition of Main Products of Dai-ichi Life

◎Period with expanded contract amount

■ 1980s-1990s Period with expanded contract amount due to high magnification product



Source: based on Hoken Kenkyujo "Insurance Statistics"

Economic climate

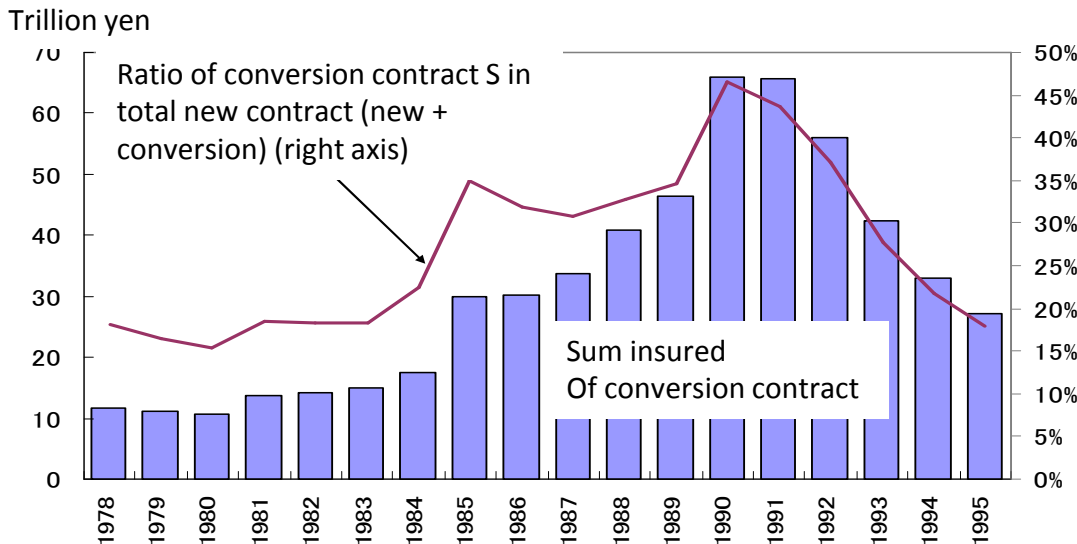
After the rapid economic growth era, Bubble Economy began

Status of insurance companies

The insurance in force increased in the 1970s due to obtainment of expensive insurance contracts, but the growth stagnated in the early 1980s.

Response of insurance companies

- Whole life with term rider became a main product
- Promotion of a conversion system
Attempted expanding contracts through trading-in contracts instead of switching contracts.
- Introduction of a special contract renewal system
Through sales of 10-year and 15-year renewal whole life insurance with term rider, coverage expansion was further promoted.

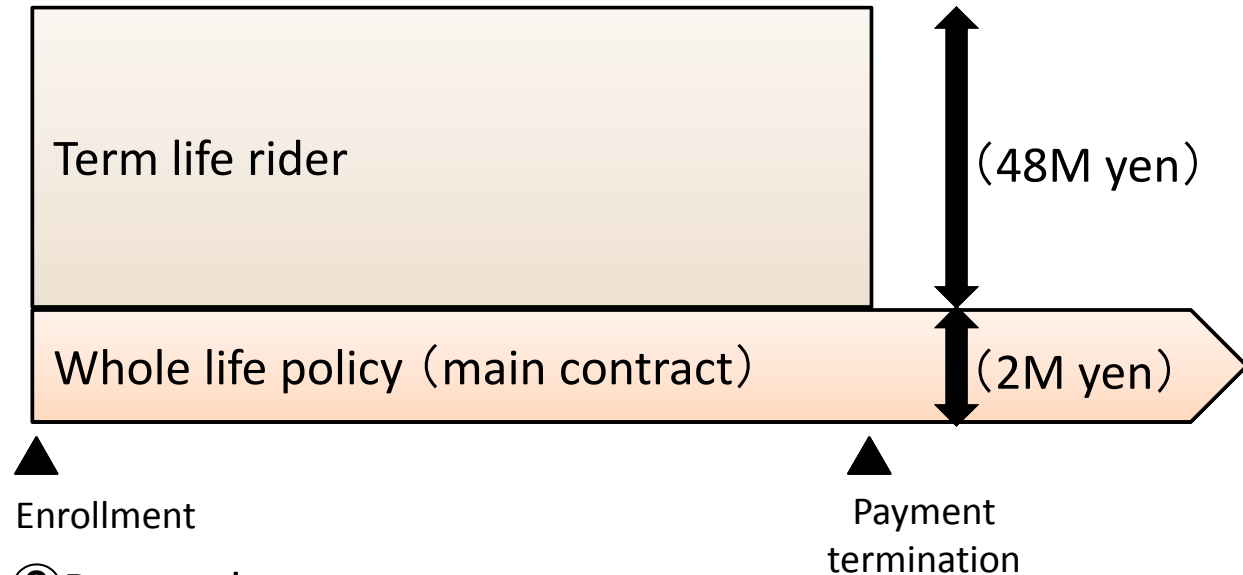


1. Transition of Main Products of Dai-ichi Life

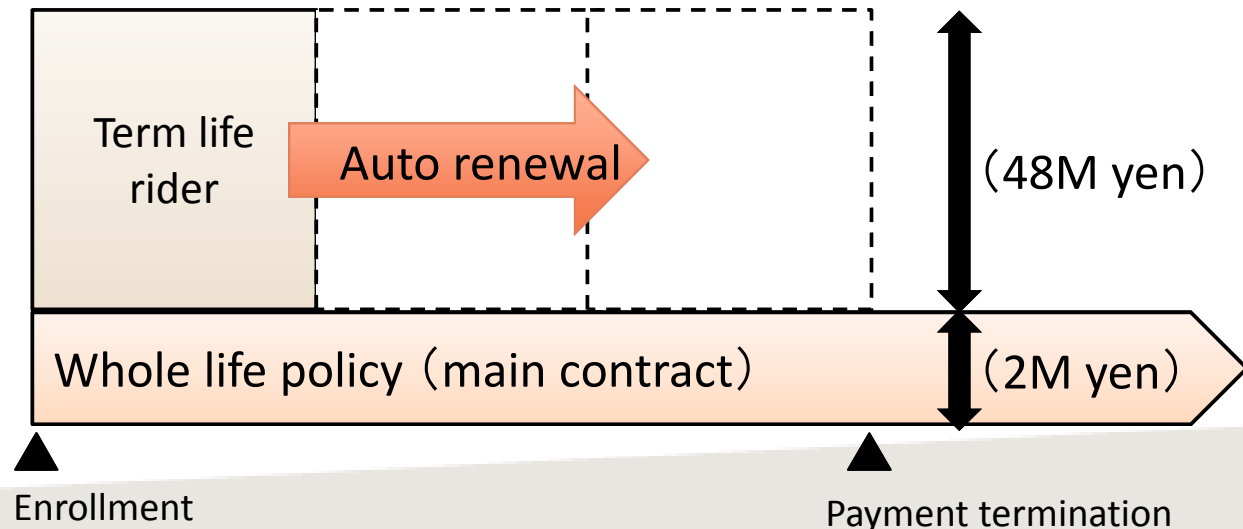
◎ Main Products Sold in 1980s-1990s

■ Whole life with term life rider (example)

① Whole term type



② Renewal type



<Product features>

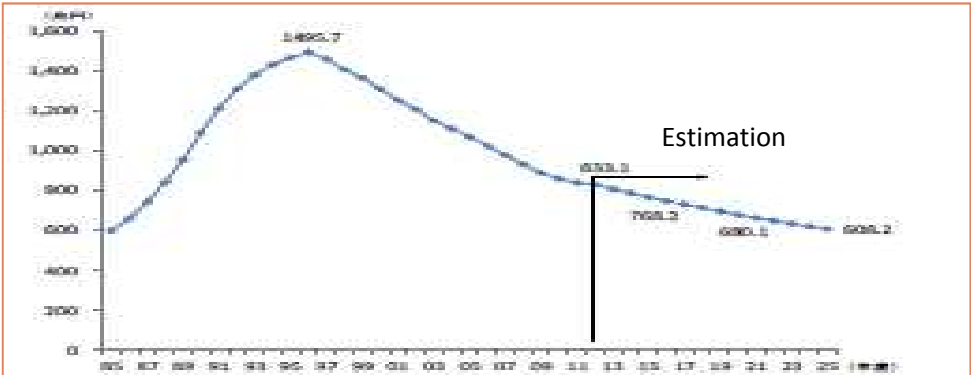
- Combination of whole life insurance and term life insurance rider
- In addition to whole life death/disability insurance, wide coverage for a certain period is available.
- Premium of the whole term type term life rider remains unchanged throughout the premium payment period.
- For renewal type term insurance, coverage for a certain period is available with low premium. The insurance will be automatically renewed until payment termination regardless of health conditions.

1. Transition of Main Products of Dai-ichi Life

◎ Present

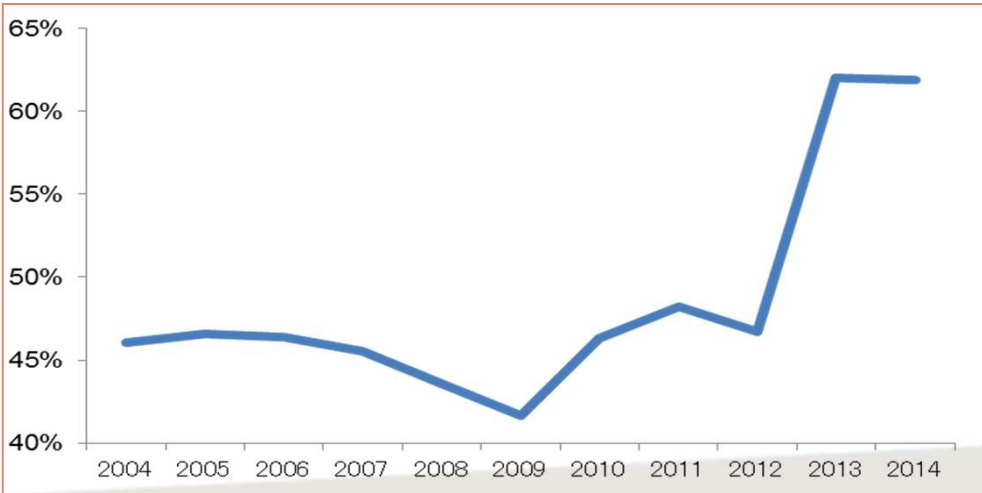
■ 2000s - present

Individual insurance in force transition and prediction (excludes personal pensions)



※Source: Estimation by Dai-ichi Life Research Institute Inc. based on Hoken Kenkyujo “Insurance”, Japan Institute of Life Insurance “factual survey of life insurances” and “life security survey”, and other resources of Ministry of Internal Affairs and Communications, Cabinet Office, Ministry of Health, Labour and Welfare, and National Institute of Population and Social Security Research (Note) excludes personal pensions and Kampo life insurance.

Ratio of the third sector among the annual basis premium of new contracts in Dai-ichi Life (regular premium individual insurance (excludes personal pensions))



Economic climate

After collapse of Bubble Economy, internet bubble began.

Status of insurance companies

Due to shrinkage of insurance contract in 2000s, insurance in force was decreased.

Response of insurance companies

- Diversification of products
From expensive death protection to comprehensive protection products including the third sector such as survival benefits.
- Diversification of sales channel
In addition to the sales agent channel, sales through various channels such as internet and brick-and-mortar shop became active (intensification of premium competition)

1. Transition of Main Products of Dai-ichi Life

◎ Current main protection-based Products

■ Bright Way (Main total protection-based products) 【Launched Jan. 2014】



“Bright Way”, whole life insurance
(with dividend every 5 years)

* with Waiver of premium rider

Whole life insurance	0.3 million yen
Assist Seven rider	29 million yen
Assist Seven Plus rider	1 million yen
Ino Ichiban NEO rider (60 day type)	10,000 yen Per day
Eight lifestyle-related disease hospitalization rider (120day type)	10,000 yen per day
Advanced medical care rider	

Monthly premium for typical policy design (35
year old male): 21,495 yen

(paid-up: 65 years old, regular premium, renewal in
every 10 years)

- Total Protection product based on whole life insurance, adding riders covering medical and survival benefits
- Wider coverage from death protection to survival benefit

■ “Assist Seven” rider

High level of coverage (30 million yen maximum payment) for seven risks ((1)cancer, (2)stroke, (3)heart attack, (4)disability, (5)care, (6)high disability, and (7)death)

■ “Assist Seven Plus” rider

In addition to the coverage of “Assist Seven” rider, provide coverage for the other five payment requirements ((1)epithelium cancer, (2)hospitalization for heart attack (3)hospitalization for stroke, (4)“Care Level 1” under the public Long term care insurance system (5)“Disability Grade 1 to 4” under the Physically Disabled Persons Welfare Act)

■ Waiver of premium

When diagnosed with (1)cancer, (2) stroke, (3)heart attack, (4)disability (5)care, future premium payment will be waived (providing simple coverage, linked to payment requirements of “Assist Seven” rider).

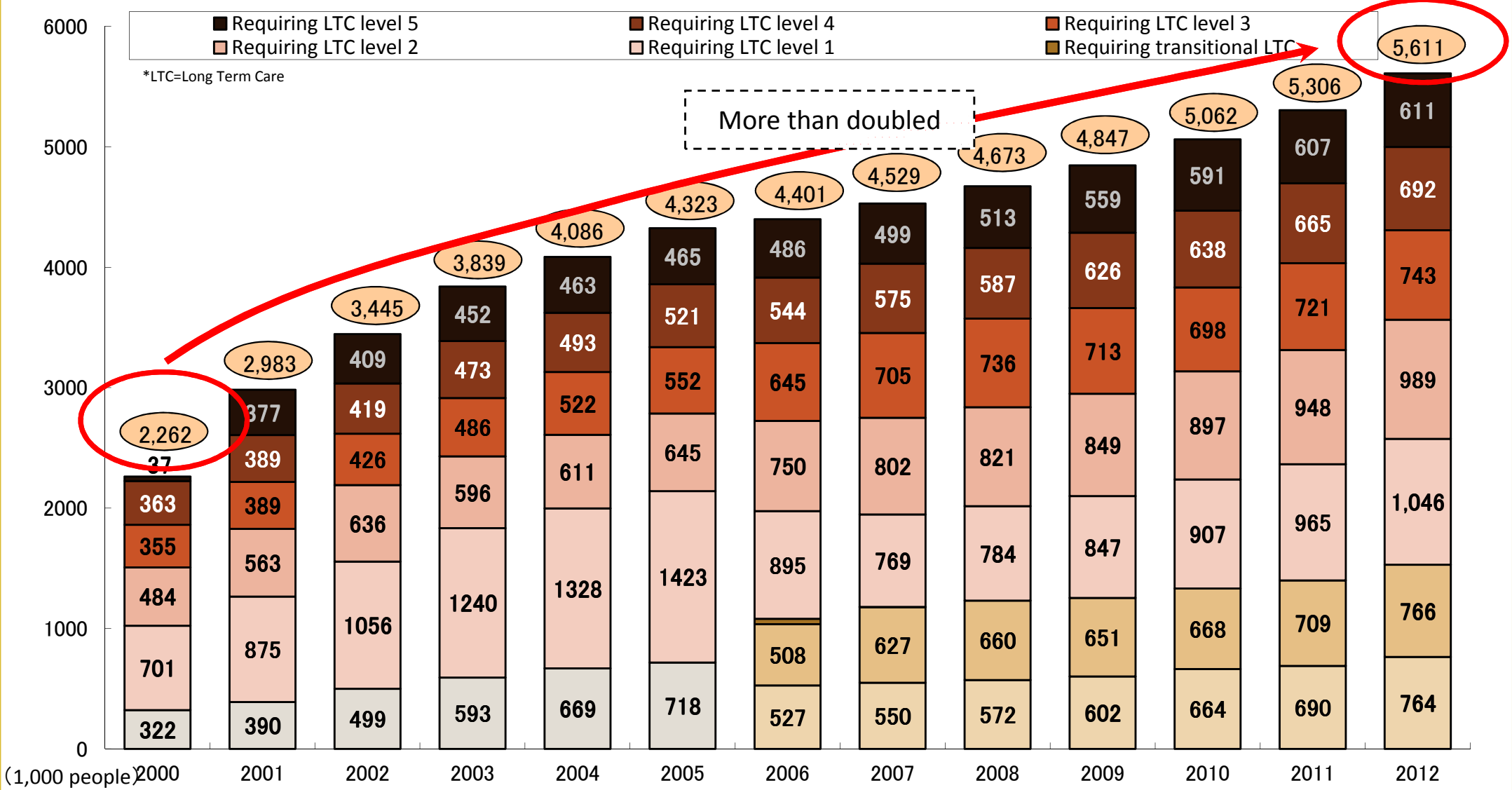
2. Product Lineup with a View towards Changes in the Social Environment.

2. Product Lineup with a View towards Changes in the Social Environment By your side, for life

◎Trends in people who require long term care



■ Increase in the number of people requiring long term care (total for both people requiring long term care and those requiring support)



[Status Report on the Long term care Insurance Business (annual report), Ministry of Health, Labor and Welfare]

2. Product Lineup with a View towards Changes in the Social Environment

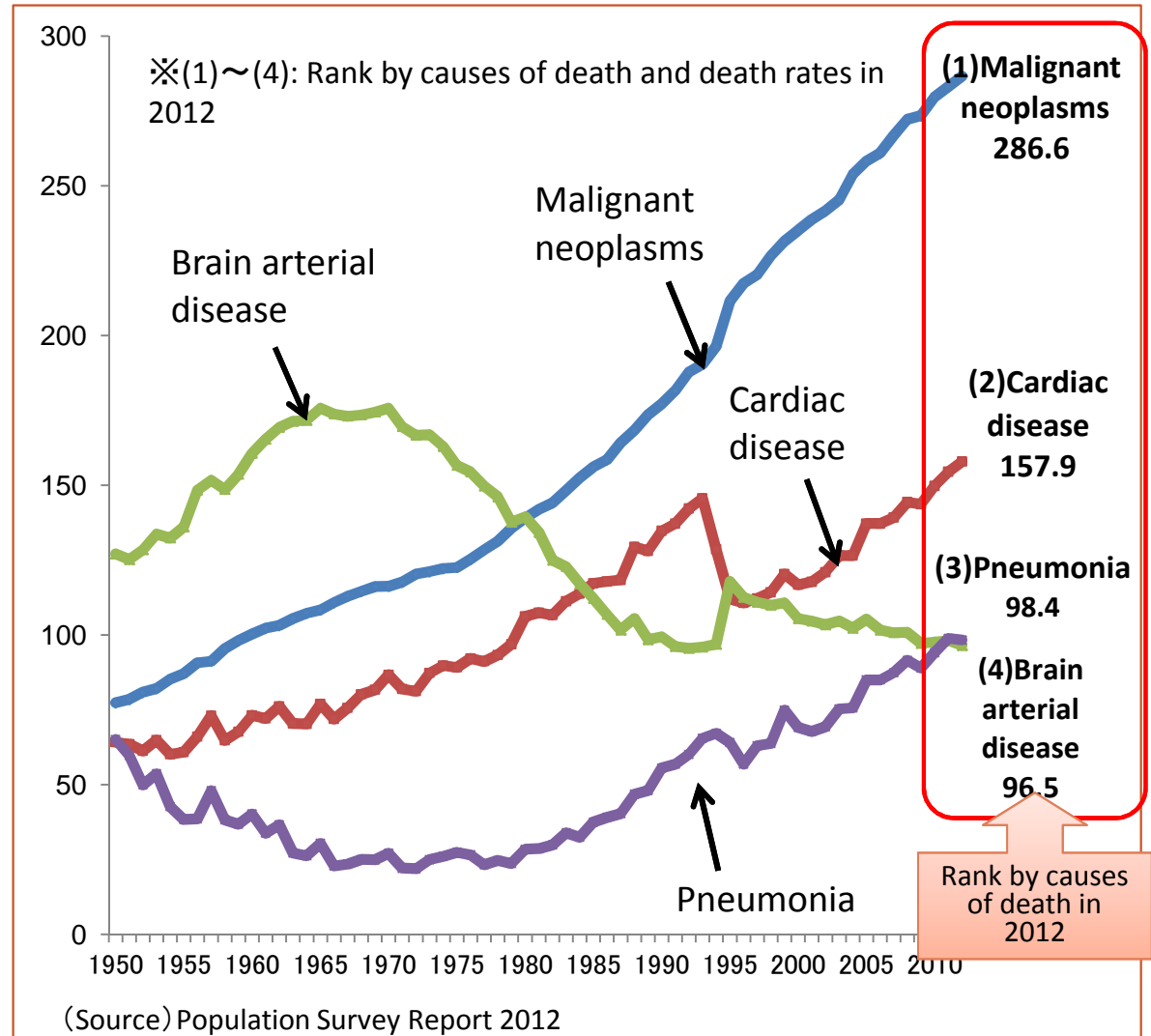
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◎ Increase in the number of people who require long term care due to medical technology improvement

■ The death rate from brain arterial disease (stroke) is decreasing.

【Trends in death rates (per 100,000 people) by causes of death (top 4 causes of death in 2012)】



The death rate from brain arterial disease is on the **downward** trend.



【 Causes of the condition requiring long term care /support】

Causes of the condition requiring long term care/support	Share
Brain arterial disease (stroke)	21.5%
Dementia	15.3%
Weakening due to old age	13.7%
Joint disease	10.9%
Bone fracture/fall	10.2%
Cardiac disease (heart disease)	3.9%
Parkison's disease	3.2%
Diabetes	3.0%
Respiratory disease	2.8%
Malignant neoplasms (cancer)	2.3%
Visual/hearing impairment	2.1%
Spinal cord injury	%

※Except for those uncertain or unknown

(Source) Comprehensive Survey of Living Conditions 2010

2. Product Lineup with a View towards Changes in the Social Environment

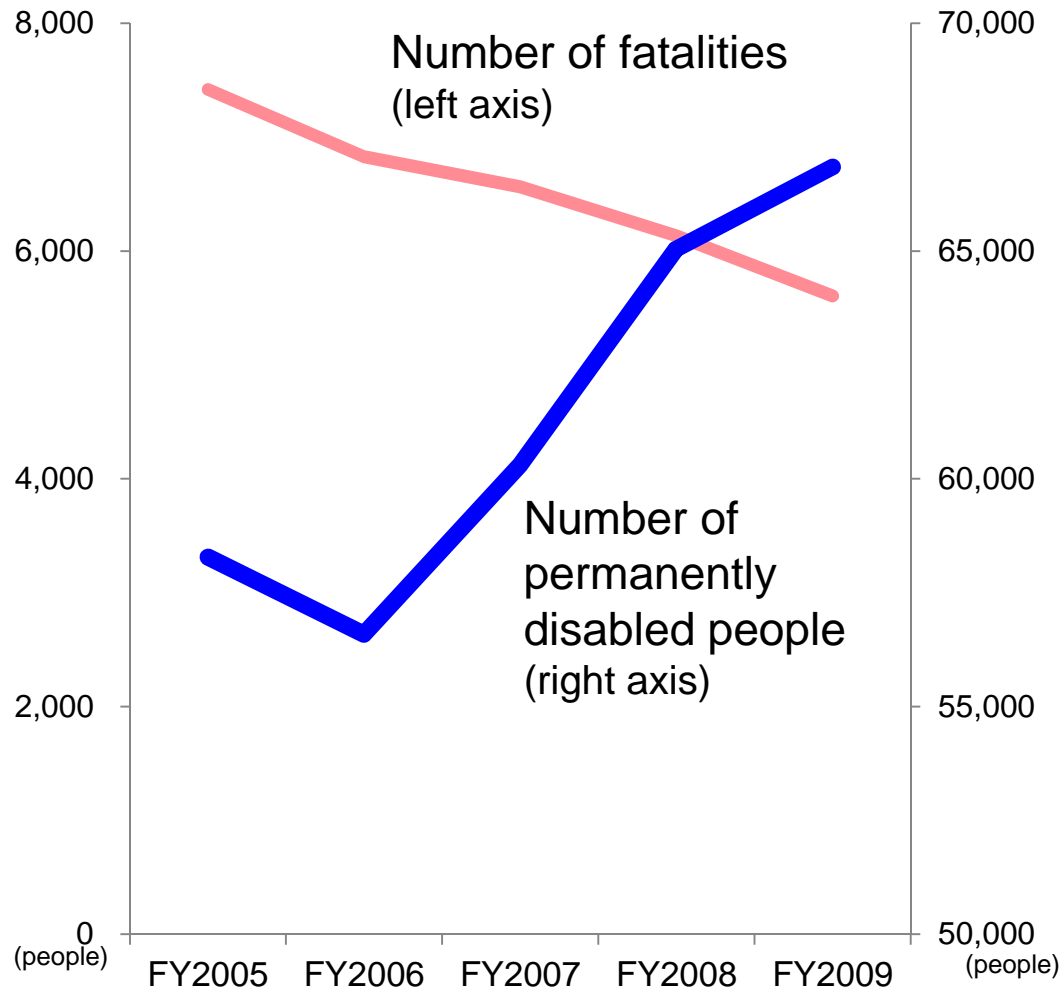
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© Increase in the number of people who require long term care due to medical technology improvements

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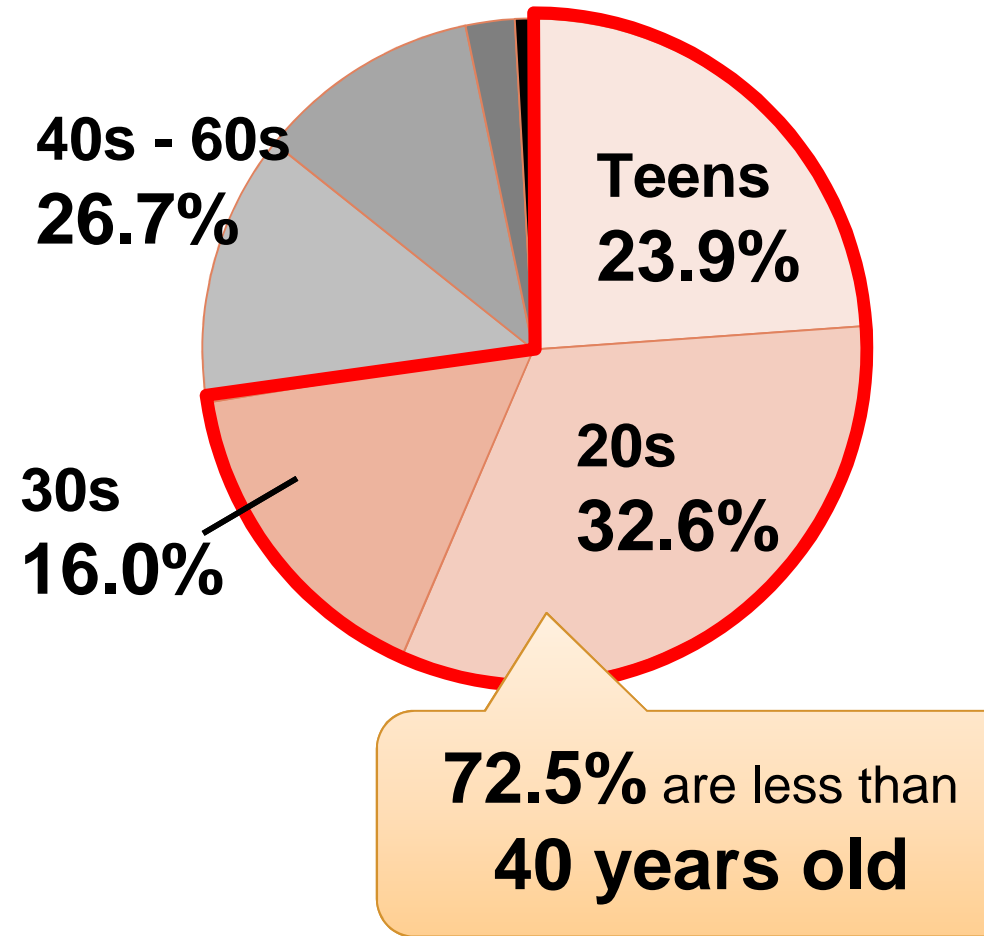
■ This is trending upwards, as there are lots of permanently disabled people resulting from traffic accidents, etc.

[Number of fatalities and permanently disabled people resulting from traffic accidents]



(Source) The Reality of Traffic Accidents as Seen in Car Insurance Data, The General Insurance Association of Japan

[Age ranges in which spinal injuries occurred]



(Source) Study on Nursing Care for Home-bound Spinal Injury Sufferers, Japan Spinal Cord Foundation

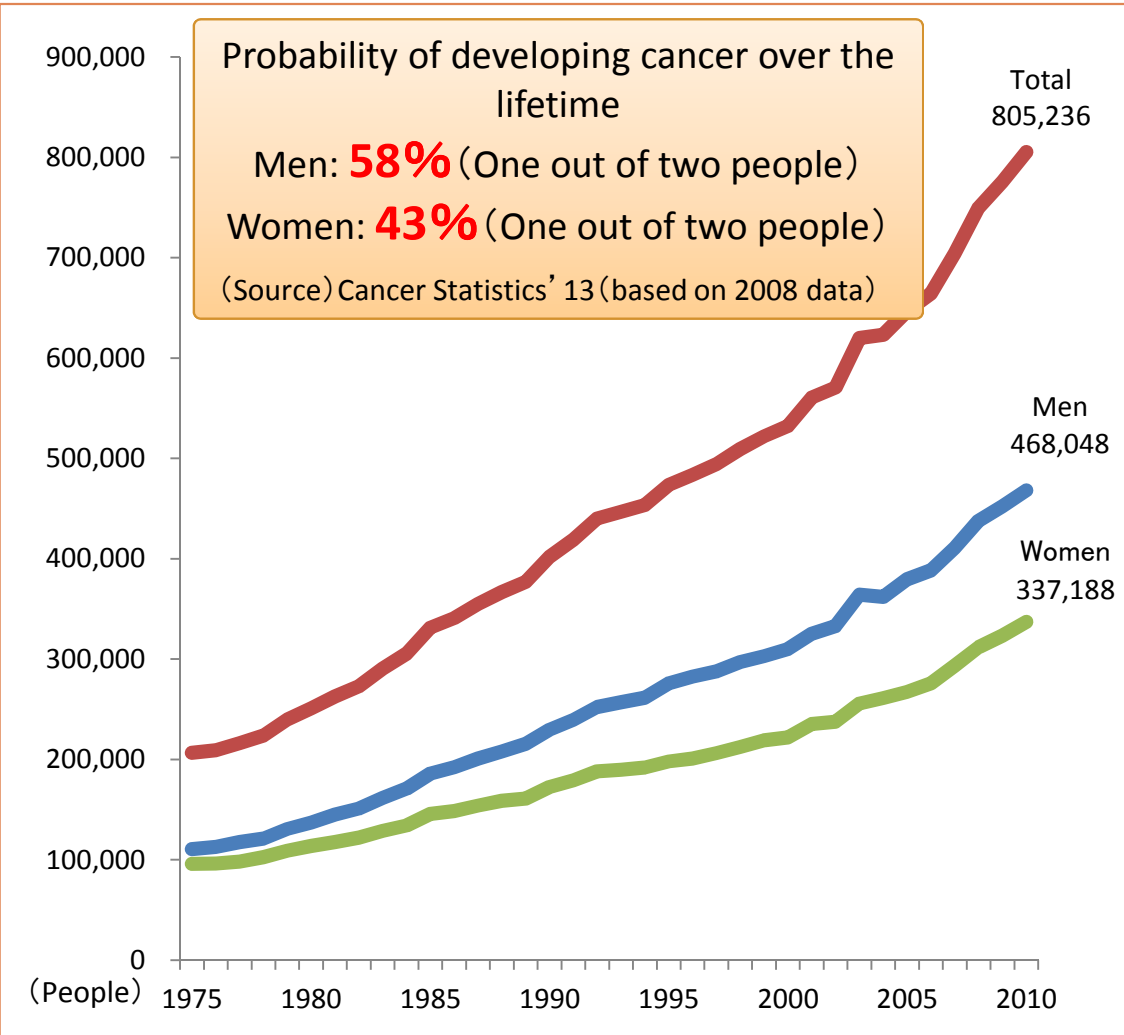
2. Product Lineup with a View towards Changes in the Social Environment

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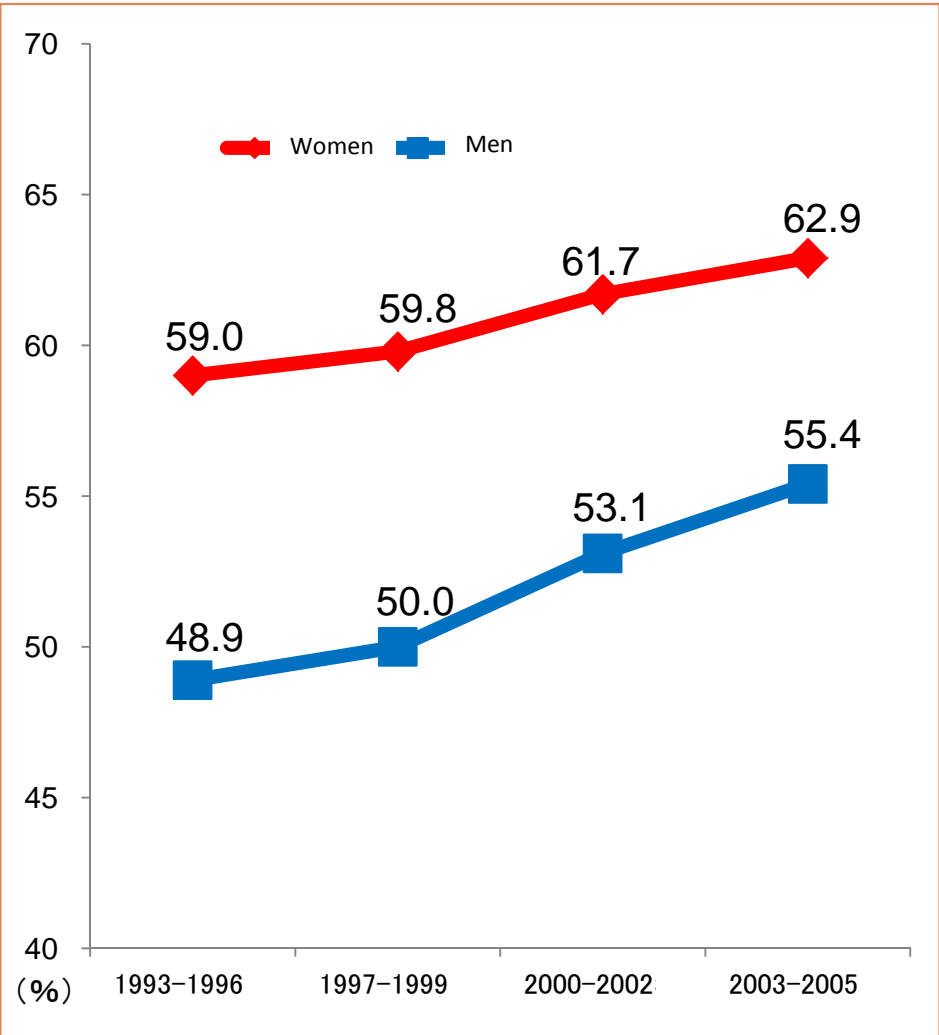


◎The number of cancer patients increased due to aging population

■ Trends in the number of cancer patients (1975-2010)



■ Cancer: five-year relative survival rate



(Source) Cancer Statistics '13

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※Cancer incidence data from Population-based Cancer Registries nationwide (1975 - 2010) ※Monitoring of Cancer Incidence in Japan,, Survival rate report

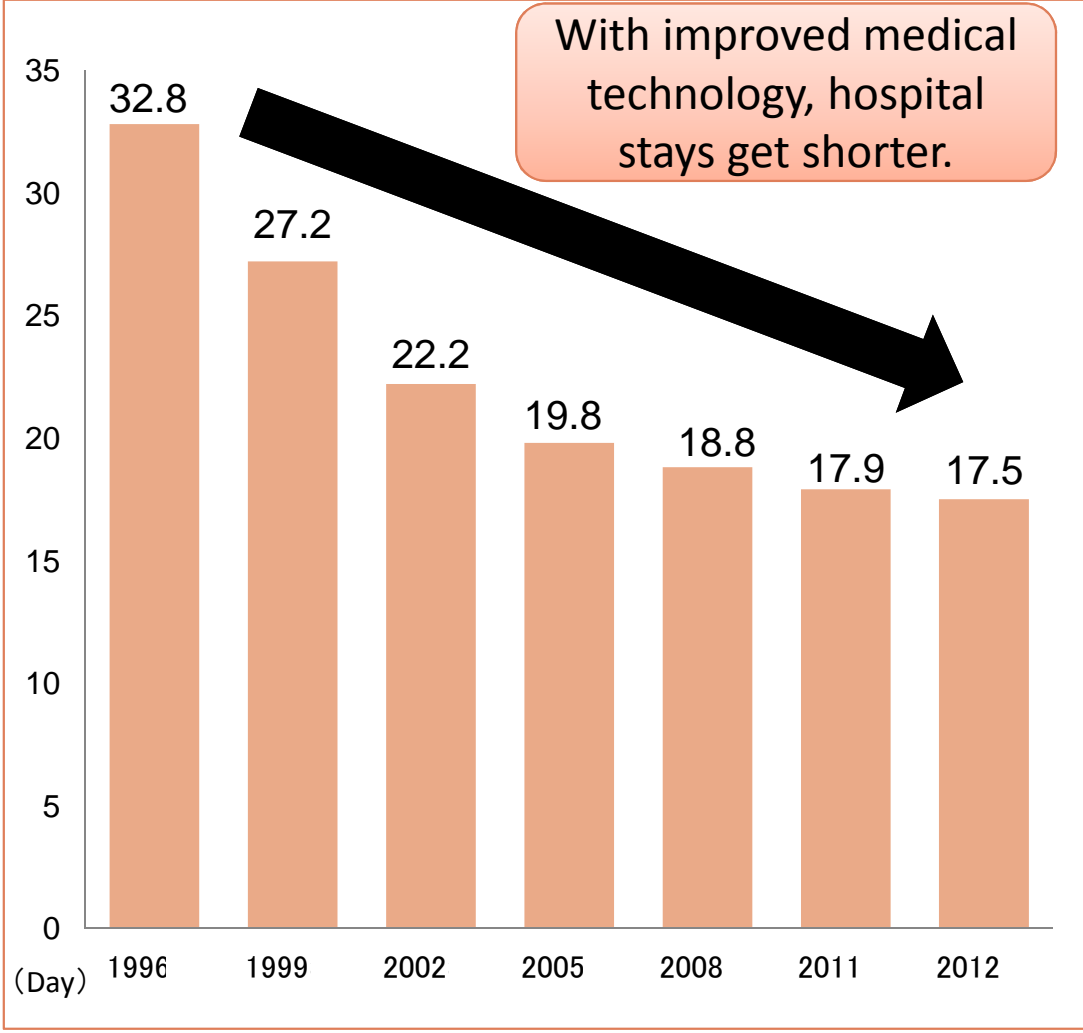
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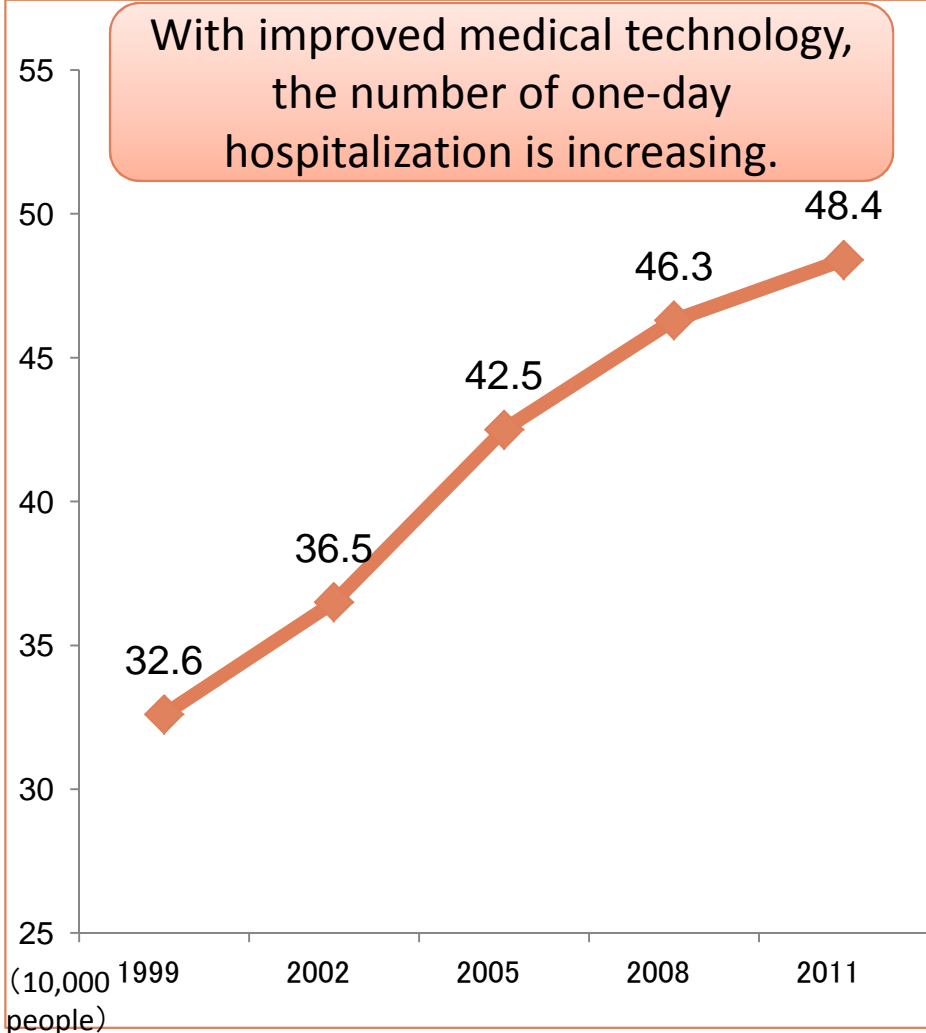
◎Shortening the number of days of hospitalization

Shortening of Hospitalization Period



(Source) Ministry of Health, Labor and Welfare, "Hospital Report"
 ※Average length of hospital stays for general patient beds and general hospitals

Number of Day Patients



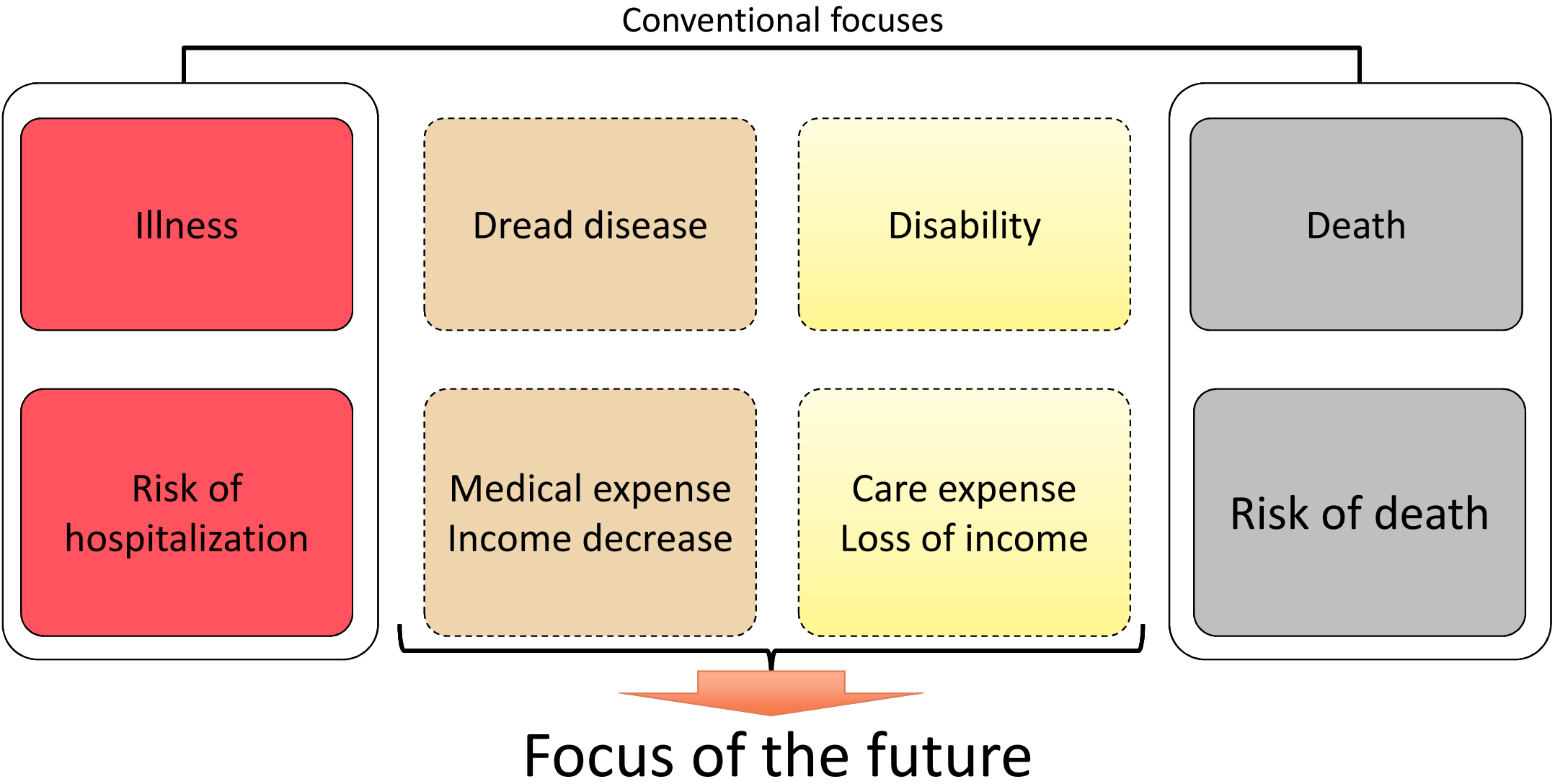
(Source) Ministry of Health, Labor and Welfare, "Patient Survey"
 ※The number of day patients is estimated by multiplying the number of day patients in every September by 12.

2. Product Lineup with a View towards Changes in the Social Environment

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© Changes in roles of protection-type products



⇒ Based on these changes, two main products, “Bright-way” and “Crest-way”, were launched in January 2014.

◎ Current main protection-based Products

■ Bright Way (Main total protection-based products) 【Launched Jan. 2014】

reused



“Bright Way”, whole life insurance
(with dividend every 5 years)

* with Waiver of premium rider

Whole life insurance	0.3 million yen
Assist Seven rider	29 million yen
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(paid-up: 65 years old, regular premium, renewal in every 10 years)

- Total Protection product based on whole life insurance, adding riders covering medical and survival benefits
- Wider coverage from death protection to survival benefit

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High level of coverage (30 million yen maximum payment) for seven risks ((1)cancer, (2)stroke, (3)heart attack, (4)disability, (5)care, (6)high disability, and (7)death)

■ “Assist Seven Plus” rider

In addition to the coverage of “Assist Seven” rider, provide coverage for the other five payment requirements ((1)epithelium cancer, (2)hospitalization for heart attack (3)hospitalization for stroke, (4)“Care Level 1” under the public Long term care insurance system (5)“Disability Grade 1 to 4” under the Physically Disabled Persons Welfare Act)

■ Waiver of premium


When diagnosed with (1)cancer, (2) stroke, (3)heart attack, (4)disability (5)care, future premium payment will be waived (providing simple coverage, linked to payment requirements of “Assist Seven” rider).

2. Product Lineup with a View towards Changes in the Social Environment

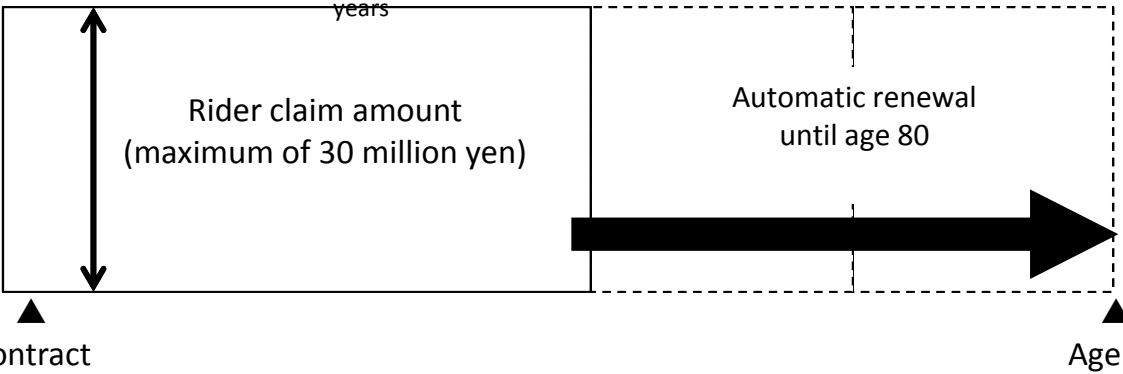
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◎Term Insurance Protection Rider for Specific Conditions (“Assist Seven”)



[Launched in Jan. 2014]
Term insurance protection rider for specific conditions with dividends every five years



Contract Age 80

Grounds for paying rider annuities

- Cancer
- Stroke
- Heart attack
- Disability
- Care
- High disability
- Death

- 【Features】**
- ✓ Provide peace of mind by preparing against seven major risks (three major diseases, three major conditions, death) with single payments
 - ✓ Provide protection for risks from surviving (rising survival rate for cancer, risks of longevity in cases where disability remains, decrease in income, etc.)

- 【Product Scheme】**
- ✓ Provides lump sum payments when the policyholder falls under seven specific conditions

【Sales Performance】

	1 year after launch	
	Male	Female
No. of policies (policies)	395,764	166,460
Addition rate	95.9%	96.2%
Sum assured per policy (10,000 yen)	609	483

※Added to “Bright Way”

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◎Term insurance enhanced protection rider for specific condition (“Assist Seven Plus”) **DAI-ICHI LIFE**

アシスト セブンプラス

[Launched in Jan. 2014]
 Term insurance enhanced protection rider for specific conditions with dividends every five years

The diagram illustrates the rider's structure. A vertical double-headed arrow on the left indicates the 'Rider claim amount (maximum of 30 million yen)'. A horizontal arrow below it points from the 'Contract' start to 'Age 80', labeled 'Automatic renewal until age 80'. The area under the arrow is divided into five equal segments by vertical dashed lines, representing the five-year dividend periods.

● In addition to the ground for payment rider for Assist Seven, five more grounds are included as follows

- Epithelium cancer
- Heart attack(hospitalization)
- Stroke (hospitalization)
- Prescribed conditions requiring long term care (level 1 long term care equivalent)
- Level 1 to 4 under the Physically Disabled Persons Welfare Act

- 【Features】**
- ✓ In accordance with Assist Seven, earlier cases with minor degree can be covered extensively
 - ✓ Improve understandability by linking ground for payment of benefit to public welfare system



- 【Product Scheme】**
- ✓ Benefits of the highest class in the industry linking with public Insurance , which means the fixed payment can be paid to patient with lighter condition

【Sales Performance】

	1 year after launch	
	Male	Female
No. of policies (policies)	381,853	159,904
Addition rate	92.5%	92.4%
Sum assured per policy (10,000 yen)	89	87

※Added to “Bright Way”

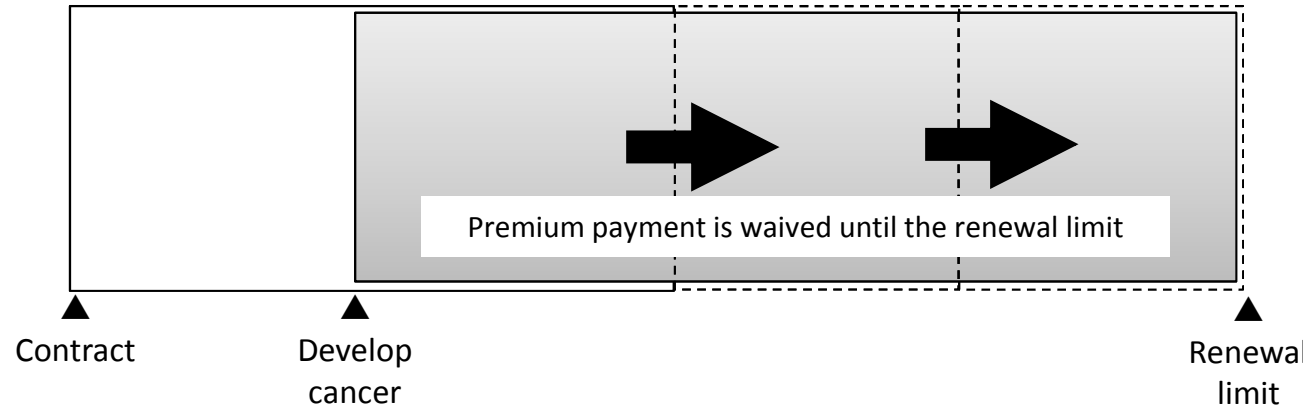
2. Product Lineup with a View towards Changes in the Social Environment

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◎Waiver of Premium Rider

保険料払込 免除特約(H25)



- Grounds for premium payment exemptions
 - Cancer
 - Stroke
 - Heart attack
 - Prescribed disability conditions
 - Prescribed conditions requiring long term care

【Features】

- ✓ If income decreases by developing cancer, the policy can be retained covering death, medical protection etc. without paying additional premium
- ✓ Launched in Oct 1999, as the first time in industry

【Sales Performance】

	2012	2013*	2014
Addition rate	97.8%	98.3% 98.0%	96.7%

※ Added to major products with comprehensive protection products

*upper: Waiver of premium rider (H13) [2013.4-12]
lower: Waiver of premium rider (H25) [2014..1-3]

【Product Scheme】

- ✓ When corresponded to the state of three major diseases, specific disability, and specific long term care, the premium afterward is waived.

◎Hospitalization and Surgery Benefit Rider



New Comprehensive Medical Rider D (2010)

- | | |
|--------------------------------------|---|
| • Accidental hospitalization benefit | Daily hospitalization benefit × No. of days hospitalized |
| • Sickness hospitalization benefit | Daily hospitalization benefit × No. of days hospitalized |
| • Operation benefit | Hospitalization: Daily hospitalization benefit × 20, Day hospitalization: Daily hospitalization benefit × 5 |
| • Radiation therapy benefit | Daily hospitalization benefit × 10 |
| • Bone marrow donor benefit | Daily hospitalization benefit × 20 |

Automatically renewed until age 80



▲ Policy

▲ Renewal

- Three patterns for the limit per hospitalization: 60 days, 120 day, or 240 days. The total payment limit is 1,095 days.

- For radiation therapy, the radiation dose is not a factor.

[Background to its development]

- ✓ Shortening of number of days hospitalized and increasing diversity of operations
- ✓ Advances in and increasing complexity of medical technology

[Product scheme]

- ✓ Hospitalization benefit from day case hospitalization
- ✓ Benefits for operations / radiation therapy linked with the public health insurance system
- ✓ Benefit for bone marrow donors (suppliers)

[Sales performance]

	2012	2013	2014
Number of policies (policies)	555,471	518,356	398,883
Inclusion rate	97.5%	96.6%	96.3%
Daily hospitalization benefit (yen)	8,008	8,008	8,335

*Attached to general protection main products

◎Whole Life Medical

メディカルエール 終身型 Non-dividend whole life medical insurance

- Accidental hospitalization benefit
- Sickness hospitalization benefit
- Operation benefit
- Radiation therapy benefit
- Bone marrow donor benefit

No surrender value

▲ Policy

Whole life payments

- In addition to the whole life type, there is also a term type (ten years).
- This can also be a product after changing medical protection via Medical Switch (see the next page).

[Background to its development]

- ✓ Shortening of number of days hospitalized, advances in and increasing complexity of medical technology
- ✓ Developing senior segment due to aging (respond to growth markets)
- ✓ Used as an inroads for reassessments based on the medical riders of existing policyholders, and for new expansion

[Product schemes]

- ✓ Hospitalization benefit from day case hospitalization
- ✓ Benefits for operations / radiation therapy linked with the public health insurance system
- ✓ Inexpensive premiums can be achieved by going with no surrender value

[Sales performance]

(Whole life type)

	2012	2013	2014
Number of policies (policies)	196,318	186,758	170,292
Daily hospitalization benefit (yen)	6,517	6,466	6,581

(Term type)

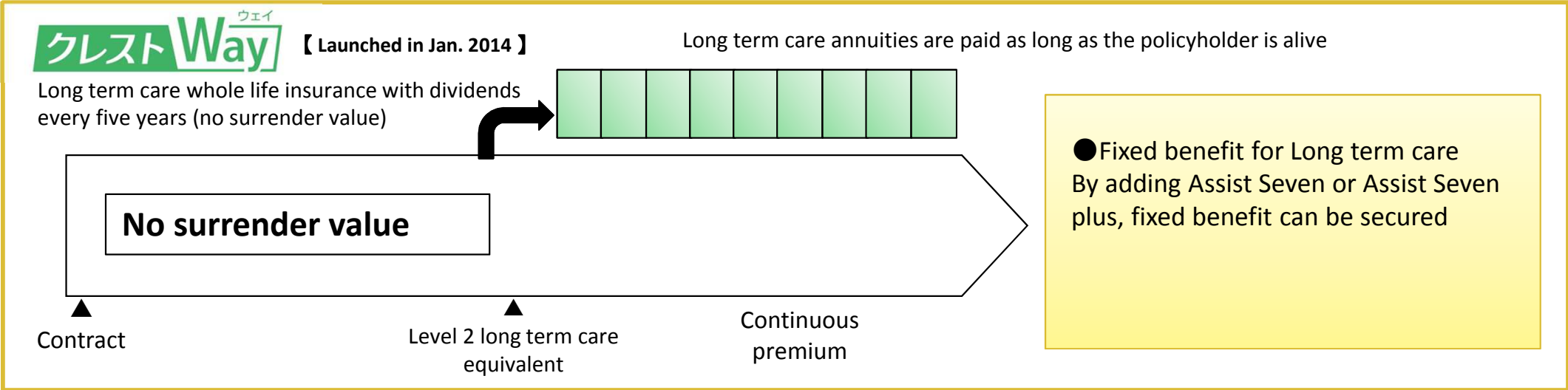
	2012	2013	2014
Number of policies (policies)	63,923	51,546	46,405
Daily hospitalization benefit (yen)	6,954	7,014	6,955

2. Product Lineup with a View towards Changes in the Social Environment

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◎Long Term Care Product (“Crest Way”)



【Development Background】

- ✓ Increase in people Long term care requiring Long term care
- ✓ Development of senior group due to the aging of the population (accommodating growth markets)

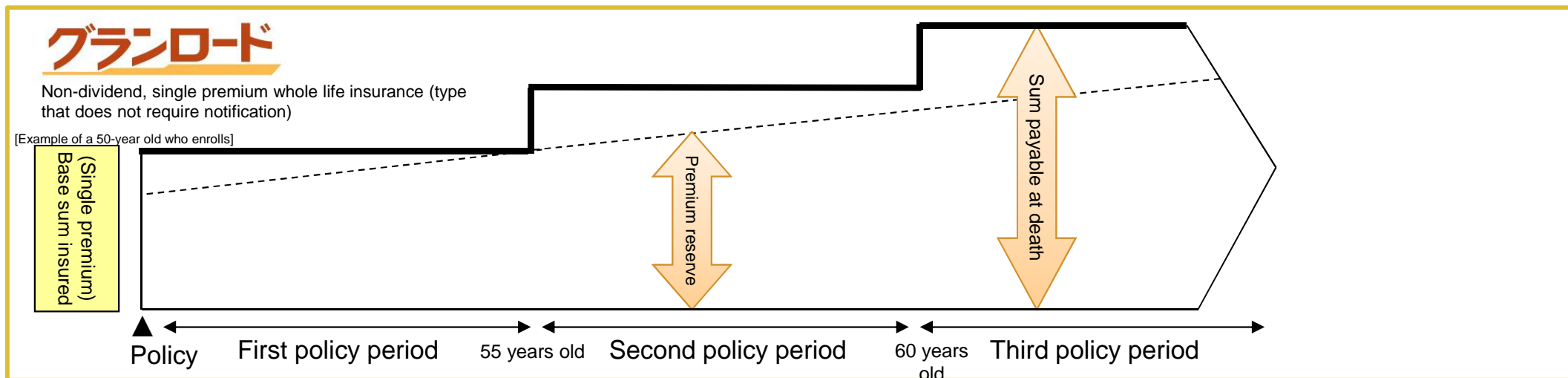
【Product Scheme】

- ✓ Annuity is paid for whole life when corresponds to the nursing level 2 equivalent or acknowledged as above the nursing level 2 by a public care insurance system
- ✓ Achieved affordable premiums by not having a surrender value

【Sales Performance】

	1 year after launch	
	Male	Female
No. of policies (policies)	44,455	33,437
S per policy (10,000 yen)	79	69

◎Whole Life with Single Premium Payment



[Background to its development]

- ✓ Rising saving needs primarily among the elderly
→ Incorporate stock capital
- ✓ Expectation for products with simple enrollment procedures (type that does not require notification)

[Product schemes]

- ✓ The sum insured upon enrollment is the same as the single premium, and customers can enroll without the need for notification
- ✓ Achieves a high cash value by keeping down the sum payable at death

[Sales performance]

	2012	2013	2014
Number of policies (policies)	171,296	174,027	238,513
Insurance premiums income (Million)	385,843	417,487	603,169

2. Product Lineup with a View towards Changes in the Social Environment By your side, for life

◎Transition of Dread Disease and Long Term Care



Period launched	Product name	Grounds for providing benefits
4/1993	Specific Disease Protection Insurance – “Shield”	Cancer, stroke, acute cardiac infarction, death
10/1995	Disease-induced Disability Rider – “Rely”	Condition of physical disability caused by a disease (Examples) Hemiplegia, cardiac pacemaker, artificial urinary bladder, etc.
10/1997	Disability Protection Rider – “Super Rely”	Specific condition of physical disability irrespective of disease or accident, death (Examples) Hemiplegia, cardiac pacemaker, artificial urinary bladder, liver cirrhosis
4/1998	Specific Intractable Disease Rider – “Intractable Disease Support”	Diseases subject to research on specific diseases by the Ministry of Health, Labour and Welfare
10/1999	Premium Payment Exemption Rider	Grounds for premium payment exemptions: Specific diseases, specific disabilities
7/2001	Nursing Care Rider – Nursing Care Support	Equivalent of those requiring level 2 nursing care or higher in the public nursing care insurance system
	Premium Payment Exemption Rider (2001)	Grounds for premium payment exemptions: Specific diseases, specific disabilities, nursing care conditions

2. Product Lineup with a View towards Changes in the Social Environment By your side, for life

◎Transition of Dread Disease and Long Term Care



Period launched	Product name	Grounds for providing benefits
4/2004	Specific Condition Income Support Rider -" Income Support "	Specific diseases, specific disabilities, nursing care conditions
	Women's Specific Treatment Rider – "Lady Yell"	Breast cancer surgery, hysterectomy, ovarian resection, breast reconstruction
9/2010	Hospitalization 8 Major Lifestyle Disease Rider	Hospitalizations of one day or longer for malignant neoplasms, diabetes, cardio / vascular diseases, hypertensive disease, cerebrovascular disease, liver disease, pancreatic disease, or kidney disease
10/2012	Security for Diagnosis of Designated/Specified Diseases Rider – "Shield Plus Rider"	Grounds for providing benefits from Shield+ Hospitalization for in-situ cancer and stroke, hospitalization for acute cardiac infarction
1/2014	Nursing Care Annuity Insurance – "Crest Way"	People requiring level 2 nursing care or higher in the public nursing care insurance system + Equivalent of those requiring level 2 nursing care or higher
1/2014	Specific Condition Security Rider – "Assist 7"	Three major diseases, disabled conditions, nursing care conditions (people requiring level 2 nursing care or higher in the public nursing care insurance system + equivalent of those requiring level 2 nursing care or higher), death
1/2014	Specific Condition Rider with Enhanced Protection – "Assist 7 Plus"	Grounds for providing benefits from Assist 7 and Shield Plus + Class 1 to 4 physical disabilities, etc., people requiring level 1 nursing care

2. Product Lineup with a View towards Changes in the Social Environment By your side, for life

◎Transition of Hospitalization and Surgery Benefits Rider



Period launched	Rider name	Grounds for providing benefits	
		Hospitalization benefits	Surgery benefits
3/1976	Disease Rider (1976)	20 or more consecutive days	Operation name inclusion method (10 types)
10/1981	Disease Rider (S56)	20 or more consecutive days	Operation name list method (145 types)
4/1987	Disease Rider (1987)	5 or more consecutive days (4 days unsecured)	Operation name list method (88 types)
10/1996	Non-dividend Disease Rider	5 or more consecutive days (4 days unsecured)	Operation name list method (88 types)
1/2002	Non-dividend Comprehensive Medical Rider	2 or more consecutive days	Operation name list method (88 types)
4/2007	New Comprehensive Medical Rider D	1 day or more	Public health insurance-linked method
9/2010	New Comprehensive Medical Rider D (2010)	1 day or more	Public health insurance-linked method

3. Customer Protection in Product Development

3. Customer Protection in Product Development:

Business Improvement Orders from the Financial Services Agency

(Overview of the Business Improvement Orders from the Financial Services Agency)

- Precipitated by the inappropriate nonpayments of death benefits by the major life insurance companies, in February 2005 the Financial Services Agency handed down administrative disciplinary actions (business improvement orders) by pointing out the nonpayments, failure to provide payment, and failure to encourage claims in regards to the payments of benefits by many of the life insurance companies.
 - * Total amount unpaid: 96.4 billion yen from 1.31 million cases; Survey period: 2001 - 2006; Targeted insurance companies: All 38 companies
- With non-life insurance as well, an investigation carried out in February 2005 by the Financial Services Agency found that inappropriate nonpayments had occurred through riders for car insurance. This precipitated the handing down of disciplinary actions, such as handing out business suspension orders.
 - * Total amount unpaid: 38 billion yen from 490,000 cases; Targeted insurance companies: 26 out of 52 companies
- Dai-ichi Life was also the recipient of administrative disciplinary actions (business improvement orders) that were caused by things like failure to provide payments of insurance money. As a result, we began performing payment verification and investigations, as well as improvement initiatives designed to prevent such problems from reoccurring.

3. Customer Protection in Product Development:

Business Improvement Orders from the Financial Services Agency (Continued)

(Case Examples of Nonpayments of Insurance Money with Life Insurance)

1. Inappropriate nonpayments

- Cases where the insurance company denied payment without basing this on a valid reason
 - ✓ Cases where payment was denied due to a violation of the duty to provide notification despite the fact that the insured event had no causal relationship with the notification item
 - ✓ The insurance company cancelled the policy despite the fact that the period in which the policy could be cancelled due to a violation of the duty to provide notification had already passed

2. Failure to provide payment

- Cases where payments were not made when a claim for insurance money was received based on the main policy, but no claim regarding the rider section was received (cases where it had been determined that payment should be made for insurance money analogous to that owed if there had been a claim even when one had not been made, not just paying only when there has been a claim)

3. Failure to encourage claims

- Cases where it is possible to make a claim for outpatient benefits when there has been a claim for hospitalization benefits, but where the policyholder was not informed of this

4. Denial of payment due to policy deficiencies

- Cases where salespersons or agents instigated false statements or violations of the duty to provide notification at the contract stage, and the insurance company neglected to confirm the facts of the matter and declared the policy invalid by citing policy deficiencies at the stage where a claim for insurance money was made

3. Customer Protection in Product Development:

Improving Comprehensibility

Plan to date (Junpū Life)		Three major diseases	Physical disability	Nursing care required
	Lump sum	Shield rider	+ Super Rely	+ Nursing care support +
	Pension	Income Support		
	Premium payment exemption	Premium Payment Exemption Rider (2001)		

Bright Way		Three major diseases	Physical disability	Nursing care required
	Lump sum	アシスト セブン		
	Pension	インカム サポート		
	Premium payment exemption	保険料払込 免除特約(H25)		

“Insurance for living” that offers a complete package that includes lump sum, annuity, and premium payment exemption benefits
 Providing coverage that is easy to understand and offers peace of mind!!

4. Riders Underpinning Total Life Plans

4. Riders Underpinning Total Life Plans

Name of Rider	Name of Benefit	Content of Benefit
New Comprehensive Medical Care Rider	Accidental Hospitalization Benefit	<ul style="list-style-type: none"> The daily hospitalization benefit x hospitalization days is paid in case of hospitalization for more than 1 day due to injury. Payment is made within the maximum limits of the daily hospitalization benefits of 60 / 120 / 240 days per hospitalization and of 1,000 days in aggregation.
	Sickness Hospitalization Benefit	<ul style="list-style-type: none"> The daily hospitalization benefit x hospitalization days is paid in case of hospitalization for more than 1 day due to sickness. Payment is made within the maximum limits of the daily hospitalization benefits of 60 / 120 / 240 days per hospitalization and of 1,000 days in aggregation.
	Operation Benefit	<ul style="list-style-type: none"> The benefit is paid when the insured has an operation which is covered by National Health Insurance due to sickness or injury. [Operation while in hospitalization]: daily hospitalization benefit x 20, [Operation for outpatient]: daily hospitalization benefit x 5
	Radiation Treatment Benefit	<ul style="list-style-type: none"> The benefit, daily hospitalization benefit x 10, is paid when the insured has a radiation treatment which is covered by National Health Insurance due to sickness or injury.
	Bone Marrow Donors Benefit	<ul style="list-style-type: none"> The benefit, daily hospitalization benefit x 20, is paid when the insured undergoes as a donor of bone marrow stem cell or peripheral blood stem cell harvesting.
Hospitalization Lump Sum Benefit Rider	Hospitalization Lump Sum Benefit	<ul style="list-style-type: none"> The hospitalization lump sum benefit is paid when the insured is hospitalized and is eligible for accidental hospitalization benefit / sickness hospitalization benefit.
Hospitalization 8 Major Lifestyle Disease Rider	Hospitalization Benefit	<ul style="list-style-type: none"> The daily hospitalization benefit x hospitalization day is paid when the insured is hospitalized for more than 1 consecutive day for cancer, cardiac disease, cerebrovascular disease, diabetes, high-blood pressure disease, liver disease, pancreatic disease, or kidney disease. Payment is made within the maximum limits of the daily hospitalization benefit of 60 / 120 / 240 days per hospitalization and of 1,000 days in aggregation.
Hospitalization Women's Specified Disease Rider	Hospitalization Benefit	<ul style="list-style-type: none"> The daily hospitalization benefit x hospitalization days is paid in case of hospitalization for more than 1 consecutive day due to women's specified diseases (cancer, abnormal labor, uterus, breast and ovary disease, etc.). Payment is made within the maximum limits of the daily hospitalization benefit of 60 / 120 / 240 days per hospitalization and of 1,000 days in aggregation.
Advanced Medical Treatment Rider	Advanced Medical Treatment Benefit	<ul style="list-style-type: none"> Payment equivalent to the cost of advanced care under the public medical insurance system. Overall payment limit: 20 million yen
	Advanced Medical Treatment Single Benefit	<ul style="list-style-type: none"> 20,000 yen will be paid at the time of payment of advanced medical treatment benefits.

4. Riders Underpinning Total Life Plans

Name of Rider	Name of Benefit	Content of Benefit
Injury Rider	Accident Benefit	<ul style="list-style-type: none"> The accident benefit is paid when the insured dies due to the accident within 180 days from the accident.
	Disability Benefit	<ul style="list-style-type: none"> From 10 to 100 % of the accident benefit is paid according to the condition of disability when the insured becomes disabled due to an accident within 180 days from the day of accident.
Specific Damage Rider	Specific Damage Benefit	<ul style="list-style-type: none"> The standard specific damage benefit is paid when the insured has treatment for a broken or dislocated bone and a tendon rupture due to an accident within 180 days. The aggregate times of payment are limited to 10.
Women's Specific Treatment Rider	Women's Specific Operation Benefit	<ul style="list-style-type: none"> 100%, 50% and 25% of the rider standard benefit amount is paid respectively when the person assured has removal of the breast due to breast cancer, a hysterectomy or an oophorectomy.
	Breast Reconstruction Benefit	<ul style="list-style-type: none"> 20% of the rider standard benefit amount is paid when the person assured has a breast reconstruction operation after the removal of the breast due to breast cancer.

4. Riders Underpinning Total Life Plans

Name of Rider	Name of Benefit	Content of Benefit
Specific Disease Security Term Insurance Rider.	Specific Disease Insurance Benefit	<ul style="list-style-type: none"> The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).
	Disability Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured becomes a prescribed invalid.
	Nursing Care Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person is certified as those requiring nursing care 2 or higher in the public nursing care system. The benefit is paid when the person assured falls under the condition requiring care due to sickness and injury, such condition continues more than 180 days.
	Death Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured dies.
Security for Fulfilling of Specified Conditions Death Coverage Rider *One of these benefits will be paid.	Fulfilling of Specified Conditions Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when there has been a definite diagnosis of in situ carcinoma, and the person assured is hospitalized for more than 1 day due to acute cardiac infarction or stroke. The rider insurance benefit is paid when the person becomes an invalid at the stage of 1~4 prescribed by the Physically Disabled Persons Welfare Act or when the person becomes an invalid at the stage of those requiring nursing care 1 in the public nursing care system.
	Specific Disease Insurance Benefit	<ul style="list-style-type: none"> The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).
	Disability Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured becomes a prescribed invalid.
	Death Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured dies.

4. Riders Underpinning Total Life Plans

Name of Rider	Name of Benefit	Content of Benefit
Specific Condition Income Security Rider *One of these annuities will be paid.	Specific Disease Annuity	<ul style="list-style-type: none"> The rider annuity is paid yearly when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke) and if he/she survives. The annuity payment period is selected from whole life, 5 years, 10 years and 15 years at the time of purchase of this rider.
	Disability Annuity	<ul style="list-style-type: none"> The rider annuity is paid when the person assured becomes disabled (paralysis of an arm or a leg, equipped with a pacemaker, dialysis treatment, artificial urinary bladder, artificial anus, etc.) and if he/she survives.
	Nursing Care Annuity	<ul style="list-style-type: none"> The rider annuity is paid when the person assured falls under the condition requiring care due to sickness and injury, such condition continues more than 180 days, and if he/she survives.
	Death Benefit	<ul style="list-style-type: none"> The death benefit of the same amount as the rider annuity amount is paid when the person assured dies without the payment of the rider annuity.
Specific Disease Security Term Insurance Rider *One of these benefits will be paid.	Specific Disease Insurance Benefit	<ul style="list-style-type: none"> The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).
	Disability Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured becomes a prescribed invalid.
	Death Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured dies
Security for Diagnosis of Designated/Specified Diseases Death Coverage Rider *One of these benefits will be paid.	Designated Diseases Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when there has been a definite diagnosis of in situ carcinoma, and the person assured is hospitalized for more than 1 day due to acute cardiac infarction or stroke.
	Specific Disease Insurance Benefit	<ul style="list-style-type: none"> The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).
	Disability Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured becomes a prescribed invalid.
	Death Insurance Benefit	<ul style="list-style-type: none"> The rider insurance benefit is paid when the person assured dies.

5. Future Direction of Product Development Strategies

3. Future Direction of Product Development Strategies

©Points for Product Development – Death and Survival Protection Products

It is important to develop appealing protection products

- Savings products lack appeal under circumstances in which low interest rates persist

From the risk of death to the risk of longevity

- Expansion to areas like severe illnesses such as the three major diseases, occupational disabilities, and nursing care and the like

Risk and population subdivision

- Increase the appeal through subdividing risk, clarifying the targets, etc.

3. Future Direction of Product Development Strategies

©Points for Product Development – Medical and Nursing Care Protection Products

Accommodate the advance of medical technology

- Further shorten the length of hospital stays
- Increasing sophistication and complexity of surgeries and rise in operative procedures

Impact from the revisions to the social security system

- Increase in the out-of-pocket burden due to the impacts from the aging of the population and falling birthrates

Accommodate the nursing care protection market

- Growth market that changes into the death coverage market
- Strengthen efforts for markets in which competition will intensify in the future

3. Future Direction of Product Development Strategies

©Points for Product Development – Savings Products

- **There are two types of needs when it comes to savings products**

- Need to invest collected funds (=to increase)
- Need to accumulate funds in small amounts (=to save)

- **For the need to invest funds (to increase)**

- How to incorporate market money rate trends into the setting of premiums?
- Is it possible to invest funds commensurate with the setting of premiums?
- Does the company bear excessive risk from interest rate fluctuations?

- **For the need to accumulate funds (to save)**

- Accumulate through equalized payments at fixed intervals.
- Interest rate sensitivity is not high, but a certain amount of interest is necessary.
- How to invest the funds in a manner which responds to equalized payments.

3. Future Direction of Product Development Strategies

©Points for Product Development – The Importance of Risk Management

Risk of guaranteeing assumed interest rates over the long term

- Proper maintainability is necessary

Low market money rates

- How to respond to future interest rate increases?
- Give back through policyholder dividends and introduce insurance with adjustable assumed interest rates

Schemes for grounds for providing benefits

- For example, when it comes to the three major diseases we do not offer insurance whereby only people with cancer are eligible for benefits. **Our scheme absorbs deviation in onset by being combined with other illnesses and death coverage.**
- Given the strong need for whole life health insurance, we do not offer products in which the grounds for providing benefits are solely subdivided, specific medical practices when it comes to medical treatment.