Direction of Product Development Strategy
~ Responding to the Aging Society~

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Product Development and Management Unit
The Dai-ichi Life Insurance Co., Ltd.
I. Changes of Environment Surrounding the Life Insurance Market
1. Progress in ageing and falling birthrates

- In Japan the birthrate is falling and the number of births is on a downward trend.
- The birthrate in 2010 was 1.39, which falls far short of the level (2.07) at which it is possible to maintain the population over the long term.

<Transitions in the Birthrate and Number of Births>
1. Progress in ageing and falling birthrates

- The population has entered a declining phase, and is projected to drop at an accelerated pace in the future.

<Population Transitions and Predictions>

[Chart showing population trends over time with estimates for 1920 to 2100, including actual, estimated, and reference estimated figures. The chart indicates exceeding 100 million people for the first time in 2020 and projected declines in subsequent years.]
1. Progress in ageing and falling birthrates

- The Average life expectancy of Japanese is expected to increase into the future.

<Changes in average life expectancies of Japanese and future estimations>

<Average life expectancy in 2011>
Men: 79.44 years (8th highest in the world)
Women: 85.90 years (2nd highest in the world)
Published on July 26, 2012

[Source: White paper on the aging society in 2012]
1. Progress in ageing and falling birthrates

- Elderly persons of 65 years old and older already exceed 20% of the population, creating an aging society.
- It is predicted that it will turn into a super-aging society in the future.

<Population Structure by Age Group>

Total population (1,000 people)

[Source: White paper on the aging society in 2012]
2. Japan’s social security system and impact of ageing population and falling birthrates

◇ Overview of Japan’s Social Security System

Japan’s social security system contains the five fields of social insurance, public assistance, public welfare, public health, and healthcare for the elderly. Social insurance contains health insurance, pension insurance, nursing care insurance, and so on.

<table>
<thead>
<tr>
<th>Social insurance</th>
<th>Health insurance, Pension insurance, Nursing care insurance, Workers’ compensation insurance, Employment insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public assistance</td>
<td>Livelihood protection</td>
</tr>
<tr>
<td>Public welfare</td>
<td>Welfare for the elderly, Welfare for the disabled, Child welfare, Maternal and child welfare</td>
</tr>
<tr>
<td>Public health</td>
<td>Infectious disease countermeasures, Food sanitation, Water supply, Waste disposal</td>
</tr>
<tr>
<td>Healthcare for the elderly</td>
<td>Healthcare for latter-stage elderly</td>
</tr>
</tbody>
</table>
Overview of the Public Health Insurance System

- “Health insurance for the whole nation” in which all of the people enroll
- “Health insurance for the whole nation” was realized in 1961.
- The public health insurance system can largely be divided into the two systems below.

<table>
<thead>
<tr>
<th>Employees’ insurance</th>
<th>Workers at companies and their families can enroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Health Insurance</td>
<td>Self-employed individuals and non-workers can enroll</td>
</tr>
</tbody>
</table>

- Employees’ insurance can further be divided into the two systems below (civil servants are separate).

<table>
<thead>
<tr>
<th>Japan Health Insurance Association</th>
<th>Workers at small to medium-sized companies and their families can enroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance managed by associations</td>
<td>Workers at large companies and their families can enroll</td>
</tr>
</tbody>
</table>

- Benefits are provided for medical fees (illnesses, injuries, births, etc.) arising from visits to medical institutions.
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Medical

Diamond Out of Pocket Expenses in the Public Health Insurance System

- Percentage of expenses that enrollees pay out of pocket

<table>
<thead>
<tr>
<th>Age</th>
<th>Percentage of medical expenses paid out of pocket</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 years old</td>
<td>20%</td>
</tr>
<tr>
<td>6 years old</td>
<td>30%</td>
</tr>
<tr>
<td>70 years old</td>
<td>10%</td>
</tr>
</tbody>
</table>

- Limit to expenses paid out of pocket

There is a limit per month. The amount of this limit varies depending on income and age, but for an ordinary income (for someone under 70 years old) it would be 80,100 yen + (total medical expenses – 267,000 yen) × 1%

* If total medical expenses are less than 267,000 yen, then 30% of this portion is paid out of pocket, with 1% of the portion exceeding 267,000 yen paid out of pocket.

- In addition to the above, fees like food expenses and amenity bed expenses incurred while hospitalized are paid out of pocket.
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Medical ~

◊ Increase in medical expenses
  - Medical expenses in Japan are increasing as the population grows older.

[Source: Ministry of Health, Labor & Welfare]
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Medical ~

- **Enlarging the Ratio of Out of Pocket Expenses in the Public Health Insurance System**

<table>
<thead>
<tr>
<th></th>
<th>Principal</th>
<th>Family (hospitalization)</th>
<th>Family (outpatient)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1996</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Since 1997</td>
<td>20%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Since 2003</td>
<td>30%</td>
<td>30%</td>
<td>30%</td>
</tr>
</tbody>
</table>

- **Raising the Amount of the Limit on Out of Pocket Expenses in the Public Health Insurance System**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1999</td>
<td>51,000 yen</td>
<td></td>
</tr>
<tr>
<td>Since 2000</td>
<td>63,600 yen + (total medical expenses – 212,000 yen) × 1%</td>
<td></td>
</tr>
<tr>
<td>Since 2002</td>
<td>72,300 yen + (total medical expenses – 241,000 yen) × 1%</td>
<td></td>
</tr>
<tr>
<td>Since 2006</td>
<td>80,100 yen + (total medical expenses – 267,000 yen) × 1%</td>
<td></td>
</tr>
</tbody>
</table>
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Medical

◇ Decrease in Medical Expenses: Elimination of “Social Hospitalization”

What is “social hospitalization”?
- When people continue to stay in the hospital for a long time without needing treatment, as opposed to remaining in the hospital for treatment purposes (for reasons like their family cannot provide care for them at home)

Elimination of “social hospitalization”
- Medical expenses were reduced through the elimination of “social hospitalization” by introducing a structure in which the remuneration for medical treatment which medical institutions could receive when people were hospitalized for a long time was reduced, and by accepting these people into the nursing care insurance system.

→ Shortening the number of days of hospitalization

◇ Advancements in Medical Technology

The number of days people are hospitalized for has been shortened and day care hospitalizations and day surgeries have increased through the spread of procedures with a low level of invasiveness, such as fiberscope procedures.

→ Shortening the number of days of hospitalization
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Medical

Diamond Reducing hospitalization period and national policies

With “improved medical technology” and “reduction in medical expenses”, the trend is for hospital stays to get shorter and shorter.

Moreover, the government is also taking measures to shorten the average hospitalization period, and “re-assessing payment for home-based medical treatment”.

People who enroll in a life insurance policy with hospitalization coverage will receive less “hospital benefit” when their hospitalization periods are shortened.

Long-term hospitalization is a burden on medical expenses and national finances.
In order to shorten the hospital inpatient days, the government is implementing a medical fee points system that favors short-term hospitalization.

Average hospitalization period and basic hospitalization cost based on the medical fee points system

Basic hospitalization cost for a general ward (per day)

<table>
<thead>
<tr>
<th>Basic hospitalization cost for a general ward</th>
<th>Standards established by the Ministry of Health, Labor and Welfare</th>
<th>Additions based on length of hospitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patients : Nurse ratio</td>
<td>Percentage of nurses</td>
<td>Average hospitalization period</td>
</tr>
<tr>
<td>7 : 1</td>
<td>More than 70%</td>
<td>Within 19 days</td>
</tr>
<tr>
<td>10 : 1</td>
<td>Within 21 days</td>
<td>JPY 10,920</td>
</tr>
<tr>
<td>13 : 1</td>
<td>Within 24 days</td>
<td></td>
</tr>
<tr>
<td>15 : 1</td>
<td>More than 40%</td>
<td>Within 60 days</td>
</tr>
<tr>
<td>Basic cost for special hospitalization</td>
<td>Less than 40%</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reference: 2006 Medical Fee Points Table

(*) Patients : Nurse ratio refers to number of patients assigned to 1 nurse.
(*2) Percentage of nurses refers to the percentage of nurses to nursing staff
(*3) Average hospitalization period refers to the average hospitalization period over the last 3 months
2. Japan’s social security system and impact of ageing population and falling birthrates
~ Nursing care

- Overview of the Public Nursing Care Insurance System

People enrolled to health insurance (healthcare insurance, National Health Insurance) who are 40 years old or older enroll in nursing care insurance. They are categorized as first insured persons or second insured persons depending on their age.

<table>
<thead>
<tr>
<th></th>
<th>First insured persons</th>
<th>Second insured persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurers</td>
<td>Municipalities and special wards in Tokyo</td>
<td></td>
</tr>
<tr>
<td>Those eligible</td>
<td>Persons over 65 years old</td>
<td>Health insurance enrollees over 40 but less than 65 years old</td>
</tr>
</tbody>
</table>
| Beneficiaries           | Those requiring nursing care (bedridden, cognitive disorders, etc.)
                          | Those requiring support (frail) | Those requiring nursing care (bedridden, cognitive disorders, etc.)
                          |                                  | Those requiring support (frail) |
| Collection of premiums  | Deducted from annuities or collected individually | Lump sum payment with health insurance premiums |
| Benefit details         | Nursing care benefits, prevention benefits, special municipal benefits |                        |
| Out of pocket expenses  | Around 10% born (varies depending on benefits) |                        |

- Demarcation between nursing care and disability

```
<table>
<thead>
<tr>
<th>Injury</th>
<th>Welfare system for the disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illness</td>
<td>Public nursing care insurance</td>
</tr>
<tr>
<td>0 years old</td>
<td>40 years old</td>
</tr>
</tbody>
</table>
```
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Nursing care ~

◊ Increase in the Number of People Requiring Nursing Care in the Public Nursing Care Insurance System

<Increase in People Requiring Nursing Care (Total of People Requiring Nursing Care and Support)>

[Source: Report on the Situation in the Nursing Care Insurance Industry (Annual), Ministry of Health, Labour and Welfare]
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~ Nursing care ~

Recent revisions and future direction of the Public Nursing Care Insurance

- Enforced in April 2000 and reviewed once every 5 years.

<Revisions in 2005>
- Shift to preventive-oriented system
- Review of facility benefits
  → accommodation and food expenses at nursing insurance facilities not covered by insurance benefits.
- Recommendation to expand definition of insured person

«Future direction»
- Copayment for people requiring nursing care will increase
- Premium burden on insured person will increase
  (Reference) Nationwide average nursing care monthly premium for the insured at age 65 or over (The first insured)
    - In 2000 year of foundation: 2,911 yen
    - In 2003 year of revision: 3,293 yen (increase by 13%)
    - In 2006 year of revision: 4,090 yen (increase by 24%)
    - In 2009 year of revision: 4,160 yen (increase by 1.7%)
- Unification of nursing care and disability (permeation of understanding that nursing care risks are not limited to aged people)
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Pension ~

Basic structure of Public Pension System

- Public pension system is divided into the National Pension Plan and Employees’ Pension Plan.
- The benefits to salaried workers are attractive but not for self-employed workers.

<table>
<thead>
<tr>
<th></th>
<th>First insured person</th>
<th>Second insured person</th>
<th>Third insured person</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target</strong></td>
<td>Self-employed workers, students or unemployed person between 20 and 60 years old and residing in Japan</td>
<td>Salaried workers, civil servants insured by Employees’ pension plan or Pension plan of mutual aid association</td>
<td>Spouse supported by second insured person between 20 and 60 years old</td>
</tr>
<tr>
<td><strong>Pension</strong></td>
<td></td>
<td>Employees’ (mutual aid) pension Monthly amount JPY 120,000</td>
<td></td>
</tr>
<tr>
<td><strong>Premium</strong></td>
<td>National pension premium</td>
<td>Employees’ (mutual aid) pension premium</td>
<td>None</td>
</tr>
</tbody>
</table>

Basic pension Monthly amount JPY 66,000

* Basic pension benefit is from 65 years old.
2. Japan’s social security system and impact of ageing population and falling birthrates

~ Pension ~

♢ Recent revisions and future direction of Public Pension System

<Recent revisions>
• Raising of commencement age for receiving pension (60→65 years old)
• Lowering of level of benefits for pension
  → While there have been calls to raise the retirement age, there is also
    the possibility of pension for elderly employees or a part of it to be
    reduced.

«Future direction»
• In an increasingly aging society, the level of benefits for pension are
  expected to be lowered further.
• Increased need for individuals to prepare living expenses for themselves
  when they reach 60 years old or so.
  → Increased awareness for self-supporting efforts
  => Birth of a market

(Reference) A feeling of insecurity toward living fund for old age
Insecurity: 85.8%
Insecurities about life in one’s old age (multiple answers)
  • Insufficient with only public pension  83.7%
  • Inconveniences in daily life  49.9%
  • Insufficient to only prepare by oneself  39.5%
(Source: Survey in 2010 by “Japan Institute of Life Insurance”)

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2. Japan’s social security system and impact of ageing population and falling birthrates

△ Increase in Social Security-Related Expenditures

• The proportion of social security-related expenditures within expenditures has become extremely large.
• This indicates that social security-related expenditures have an enormous impact on finances.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditures</td>
<td>92.6115 trillion yen</td>
<td></td>
</tr>
<tr>
<td>Economic cooperation expenditures</td>
<td>514.9 billion yen</td>
<td>0.6%</td>
</tr>
<tr>
<td>Public works-related expenditures</td>
<td>5.2852 trillion yen</td>
<td>5.7%</td>
</tr>
<tr>
<td>Defense-related expenditures</td>
<td>4.7537 trillion yen</td>
<td>5.1%</td>
</tr>
<tr>
<td>Local tax allocation grants, etc.</td>
<td>16.3926 trillion yen</td>
<td>17.7%</td>
</tr>
<tr>
<td>Governmental pension-related expenditures</td>
<td>504.4 billion yen</td>
<td>0.5%</td>
</tr>
<tr>
<td>Debt servicing expenditures</td>
<td>22.2414 trillion yen</td>
<td>24.0%</td>
</tr>
<tr>
<td>Education and science promotion expenditures</td>
<td>4.3687 trillion yen</td>
<td>5.8%</td>
</tr>
<tr>
<td>Social security-related expenditures</td>
<td>29.1224 trillion yen</td>
<td>31.4%</td>
</tr>
<tr>
<td>Others</td>
<td>8.277 trillion yen</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

[Created from the initial budget for FY2013]
2. Japan’s social security system and impact of ageing population and falling birthrates

◊ Increase of the social-related expenditure
  • The social security-related expenditure as a percentage of the general account expenditures is highly growing.
  • This shows that social security-related expenditures has a major impact on national finances.

![Chart showing increase of social-related expenditures](image-url)

About 3 times in 50 years!!
Majority of Social Security-Related Expenditures are Social Insurance Expenditures

- As a breakdown of social insurance-related expenditures, there are social insurance expenditures, livelihood protection expenditures, social welfare expenditures, health and sanitation expenditures, and expenditures on unemployment countermeasures.

- The majority of social security-related expenditures are social insurance expenditures.
  Social security-related expenditures in the FY2013 general accounting budget
  Total: 29.1224 trillion yen
  Of this, social insurance expenditures: 21.8474 trillion yen (75%)

- The increase in social security-related expenditures is largely caused by the increase in social insurance expenditures.
  Growth rate of the social security-related expenditures in the FY2013 general accounting budget
  Total: 29.1224 trillion yen (10.4% increase)
  Of this, social insurance expenditures: 21.8474 trillion yen (14.5% increase)

→ The financial burden is increasing along with the increase in benefits in the social insurance system.
2. Japan’s social security system and impact of ageing population and falling birthrates

◇ Expansion of Social Security Benefits and Burdens
- Premium burdens on individuals are just growing larger and larger as a consequence of the

<table>
<thead>
<tr>
<th>Year</th>
<th>Social security benefits (A)</th>
<th>National income (B)</th>
<th>Proportion of national income (A/B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>4 trillion yen</td>
<td>61 trillion yen</td>
<td>5.8%</td>
</tr>
<tr>
<td>1980</td>
<td>25 trillion yen</td>
<td>203 trillion yen</td>
<td>12.2%</td>
</tr>
<tr>
<td>1990</td>
<td>47 trillion yen</td>
<td>348 trillion yen</td>
<td>13.6%</td>
</tr>
<tr>
<td>2000</td>
<td>78 trillion yen</td>
<td>372 trillion yen</td>
<td>21.0%</td>
</tr>
<tr>
<td>2006</td>
<td>90 trillion yen</td>
<td>376 trillion yen</td>
<td>23.9%</td>
</tr>
<tr>
<td>2015</td>
<td>116 trillion yen</td>
<td>461 trillion yen</td>
<td>25.3%</td>
</tr>
<tr>
<td>2025</td>
<td>141 trillion yen</td>
<td>540 trillion yen</td>
<td>26.1%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Creation Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>Pensions for the whole nation</td>
</tr>
<tr>
<td></td>
<td>Health insurance for the whole nation</td>
</tr>
<tr>
<td>1973</td>
<td>First year of welfare (senior healthcare made free of charge, etc.)</td>
</tr>
</tbody>
</table>
2. Japan’s social security system and impact of ageing population and falling birthrates

◇ Necessity of reducing the social security system by progress in ageing population
  • Three Major Social Security Systems: “Public Health Insurance”, “Public Pension System” and “Public Nursing Care Insurance System”
  • Social Security System in Japan is basically adopting “pay as you go” method

Productive age population × Premium rate + Tax injection = Elderly population × benefits to elderly generation

The balance of revenue and expenditure is upset!
In order to retrieve the balance between revenue and expenditure lost because of a falling birthrate, revenues in the forms of premium rates and taxes need to be increased. At the same time, expenditures in the form of benefits to the elderly population need to be reduced.

To cope with an aging society, a reevaluation of the standards of social security benefits and scope of benefits is inevitable.
II. Direction of Product Development Strategy
(Responding to Further Ageing Society)
Market surrounding life insurance companies

“The first sector” = Life Insurance: Death Benefit, Annuity Insurance, etc.

“The second sector” = Property-casualty Insurance: Automobile Accident Insurance, Fire Insurance, etc.

“The third sector” = Accident and Sickness Fixed Return Insurance

Market for life insurance companies are “The first sector” and “The third sector”

* Market for non-life insurance companies are “The second sector” and “The third sector”
1. Market surrounding life insurance companies ~ Death benefit market

◇ The first sector ~ Market for death benefit

- The market is matured and is estimated to shrink further because of the decrease of population and an ageing population.

<Purchasing rate of households>

(Note) Purchasing rate of household = Number of households which are purchasing at least one life insurance / All households which replied × 100

[Source: Japan Institute of Life Insurance 2009 National survey on life insurance]
1. Market surrounding life insurance companies ~ Death benefit market

◇ The first sector ~ Market for death benefit

<Insurance in force of death benefits are decreasing
(Amounts of all life insurance companies)>

Source: “Summary of Life Insurance Industry” by the Life Insurance Association of Japan
1. Market surrounding life insurance companies ~ Existence benefit (Annuity) market

◊ First Sector Market ~ Existence Benefit (Annuities) Market

- A promising market against the backdrop of the aging population, increase in the senior population, and longer life spans
- The role of the private sector (private pensions) is also expanding due to the shrinking of public pensions

<Young and Middle-Aged Demographics>
Enhanced need to prepare for one’s old age backed by anxiety over the future (Need to save)

<The Elderly>
Life expectancy after retirement is also elongating, and the need for existence security after retirement is expanding (Need to augment)

→ • Under low interest rates, the key to product development is to satisfy each of the conditions of having product appeal for the customer, sales incentives for the sales channels, and profitability for the company (especially reserve types).
• For bank’s over the counter sales, the stock market aimed at the elderly is the main channel.
1. Market surrounding life insurance companies ~ Medical • Nursing care market

❑ Third Sector Markets ~ Medical and Nursing Care Security Market
  - Needs are expanding significantly backed by the aging of society.
  - The role of private insurance is growing backed by the expansion of out of pocket expenses and the devaluation of benefits in the public health insurance system.
  - Similarly, the role of private insurance is increasing for the public nursing care insurance system as well.
  - For life insurance companies, this market covers the drop in profits from the shrinking of the death security market, and the companies have positioned it as an important market for their growth.
  - The importance of the sum of in-force business, as well as premium income and embedded value (EV), have increased as indicators denoting profitability.
While number of all individual life insurance policies in force is decreasing after peaking in 1995, number of medical, nursing care products in force is increasing.
1. Market surrounding life insurance companies ~ Medical • Nursing care market

♦ Increasingly Severe Competition in the Medical Care Security Market
  ▪ Private health insurance has many players, including foreign life insurance companies, mutual aid, and non-life insurance, making it a sector with severe competition.
  ▪ It is necessary to develop competitive products in terms of both the security content and price.
    → Security content: Is there security for day case hospitalization, are there benefits coupled with the public health insurance system, etc.
    → Price: Non-cancellation return-type products (introduction of an arranged cancellation rate), reduced payment limit for one hospitalization, etc.

♦ Increase in Sales of Healthcare Products
  ▪ Major life insurance companies have mainly sold healthcare security products as riders for death security.
  ▪ In recent years, sales of healthcare products by major life insurance companies have expanded, and companies selling healthcare products starting with the youth demographic have increased.
  ▪ Dai-ichi Life has been selling healthcare products which target people 50 years old and older since 2004 and from 2011, it started selling whole-life healthcare products to 50 years old and older people, and also renewable healthcare products which target people below 50 years old.
Development of Nursing Care Security Products

- Before the introduction of the public nursing care insurance system in 2000, the mainstream was comprised of products that only provided security for those in relatively severe conditions which required nursing care.

- After the introduction of the public nursing care insurance system, development moved forward on products which expanded the secured range to more minor conditions than before which required nursing, as well as products with content coupled with the public nursing care insurance system.

- Dai-ichi Life has sold products which generally provide security for those requiring nursing care 2 or higher since 2001 (but these are not coupled with the public nursing care insurance system).

- Other companies have already developed products which expand security to conditions requiring a lower level of nursing care. (For example, they have developed products that provide security for conditions requiring nursing care 1.)
2. Future direction of product development

◇ Becoming a Company That Supplements Social Security

- It is believed that the social security system will continue to become smaller and smaller in the future owing to the impact from the aging population and falling birthrates, etc.
  ⇒ The people’s out of pocket expenses are increasing.
  ⇒ The need for private insurance that supplements social security is rising.

- The death security market is at a level of approximately 1,000 trillion yen in terms of the sum of in-force business and remains the main market. Yet attention has not just been focused on “Death security”; it is also important to focus attention on “Existence security” such as health security.

- Products which match the needs for each of the death, healthcare, nursing care, and annuities markets must be developed. In doing so, the products and sales channels must be matched. Example) Annuities matched in the bank’s over the counter sales channel.
2. Future direction of product development

◇ Products with Security Content That Is Easy to Understand = Simplifying Products

- Products with complicated security content hinder the customers’ comprehension of the contract details and can easily lead to problems during payment.
- The need to simplify products has risen.
- The new healthcare rider that Dai-ichi Life has been selling since 2007 is a product for which the payment reasons for procedure benefits are coupled with the public health insurance system. It is a product with a broad secured range and security content that is easy to understand.
- The simplification of product line-ups is also moving forward.

◇ Developing Products That Utilize the Characteristics of Salesperson Channels

- Salesperson channels are characterized by being consulting sales by means of face-to-face sales.
  (Internet sales and mail order are sales channels on the other end of the spectrum.)
- Consequently, this channels can sell products that meet complicated needs all at once by combining death security products with health security products to suit the customers’ needs.
- For the future, it will be necessary to develop products which utilize the characteristics of salesperson channels.