



FALIA Invitational Seminar in Japan  
“Product Development Strategy Course”

# **Product Strategy That Supports Concept of “Total Life Planning”**

**July 30th, 2015**

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**Manager**

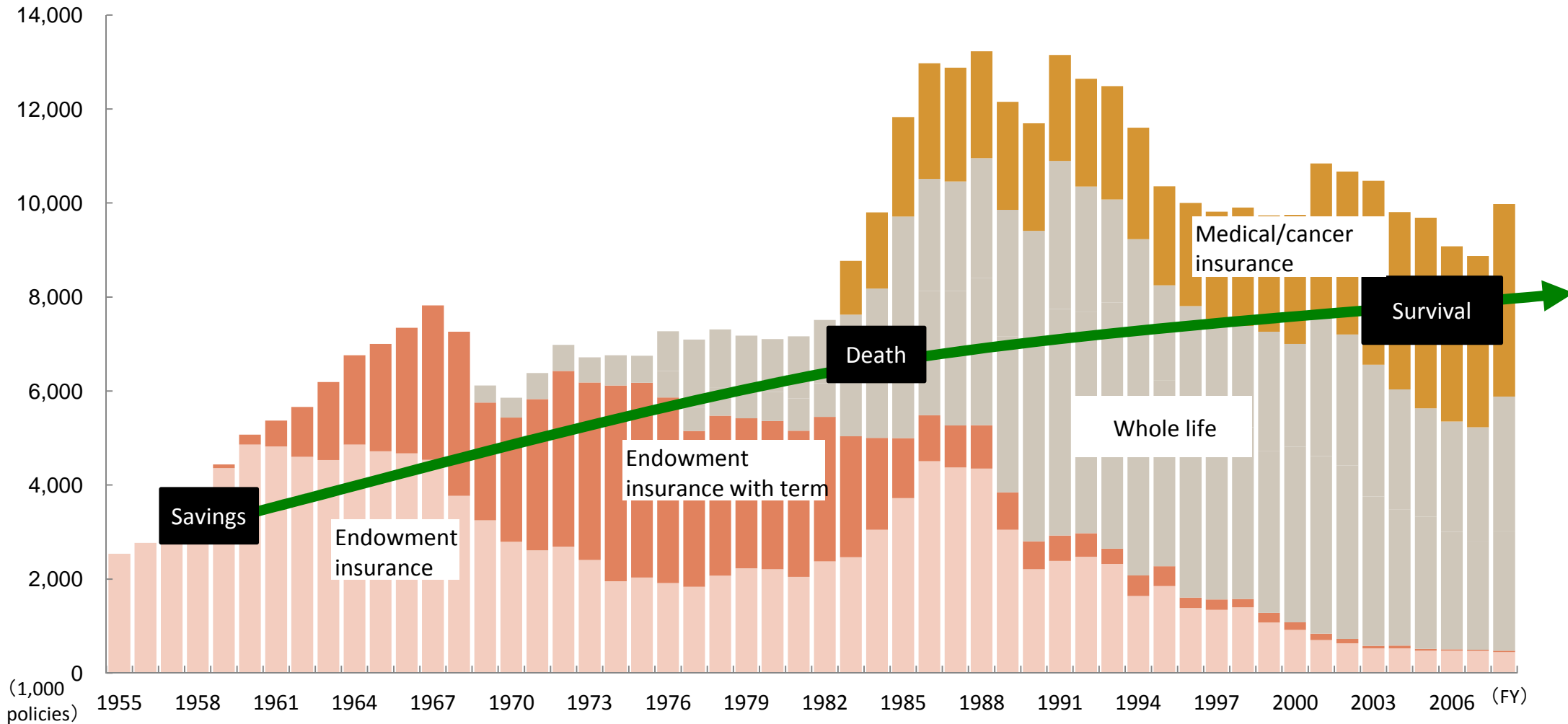
**Product Development and Management Unit**

**The Dai-ichi Life Insurance Co., Ltd.**

# I. Transition of Major Products of the Dai-ichi Life

# 1. Transition of Major Products

■ individual insurance # of New business (private insurance)

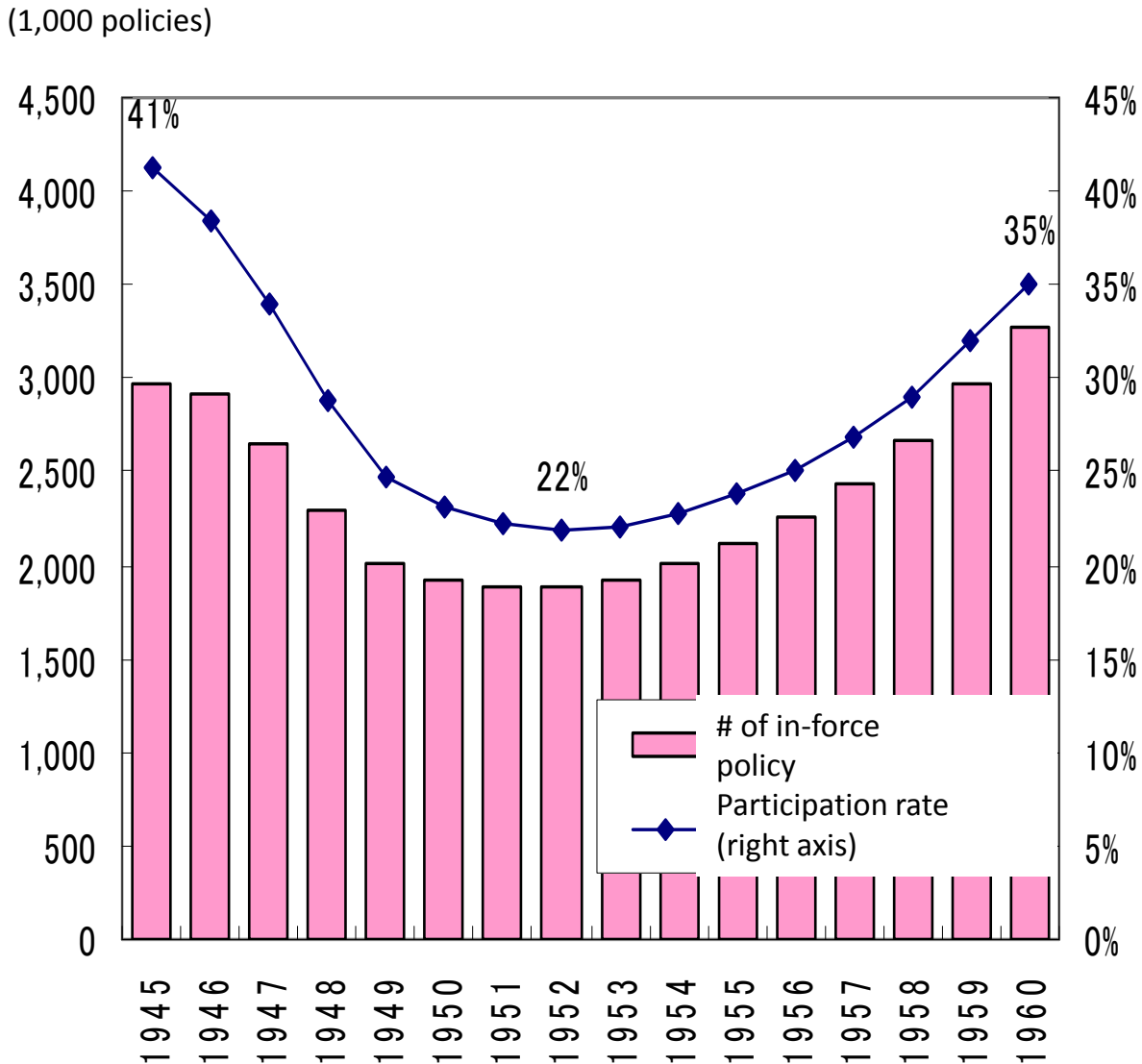


(Notes) Lists the sales results for individual insurance for national insurance on the whole (excluding annuities).

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

# 1. Transition of Major Products

## ■ 1950s Customer Base Expansion Period



### Economic climate

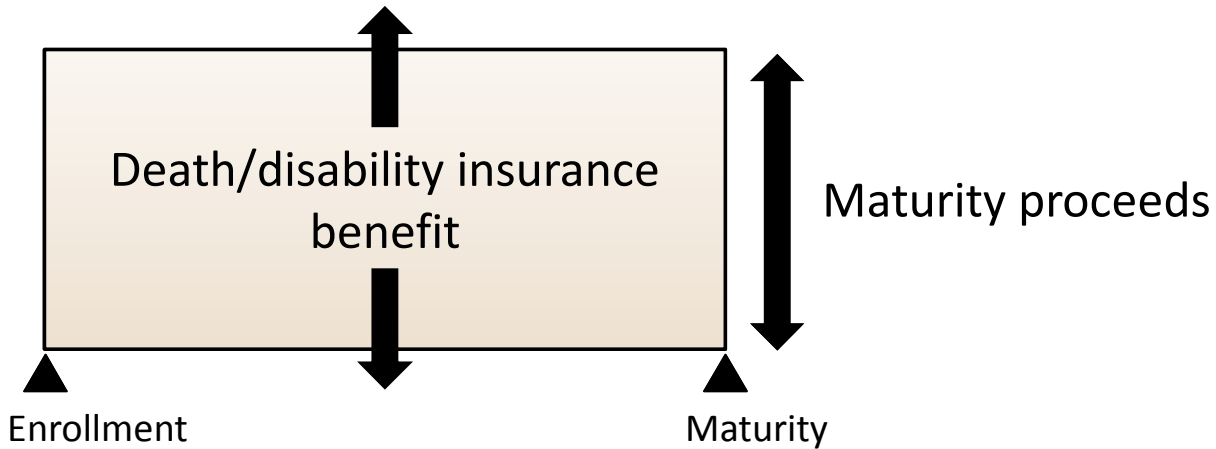
Chaos after World War II (-1945)

### 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 Major Products

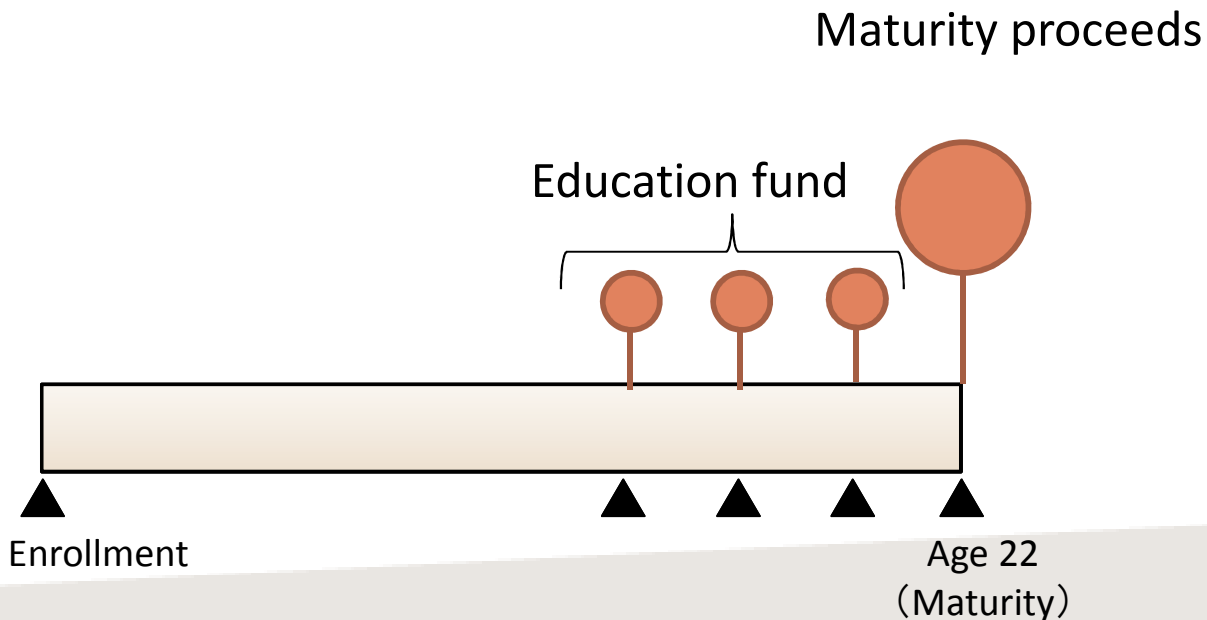
## ■ Endowment insurance



### < 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

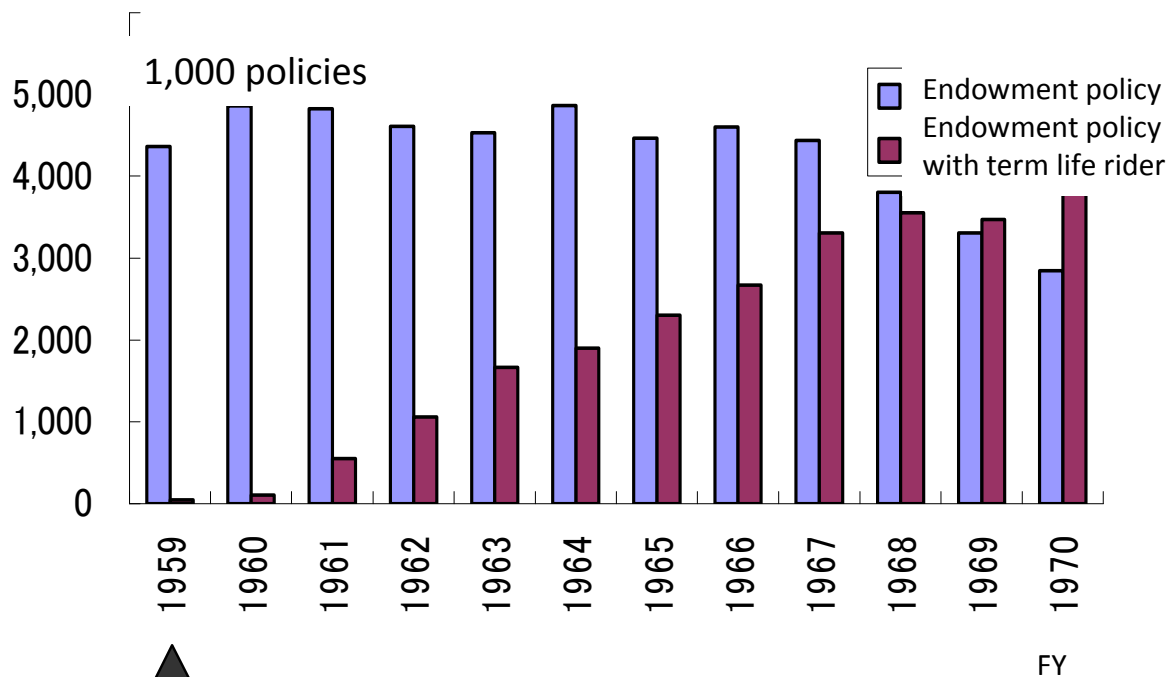
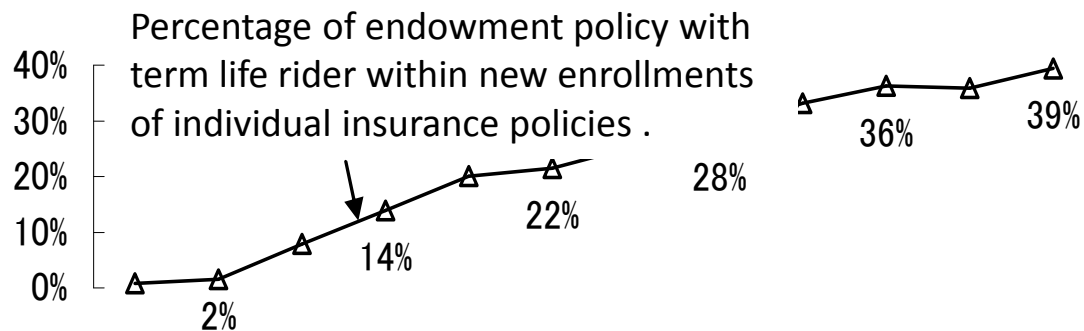


### <Product features>

- 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 Major Products

## ■ 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

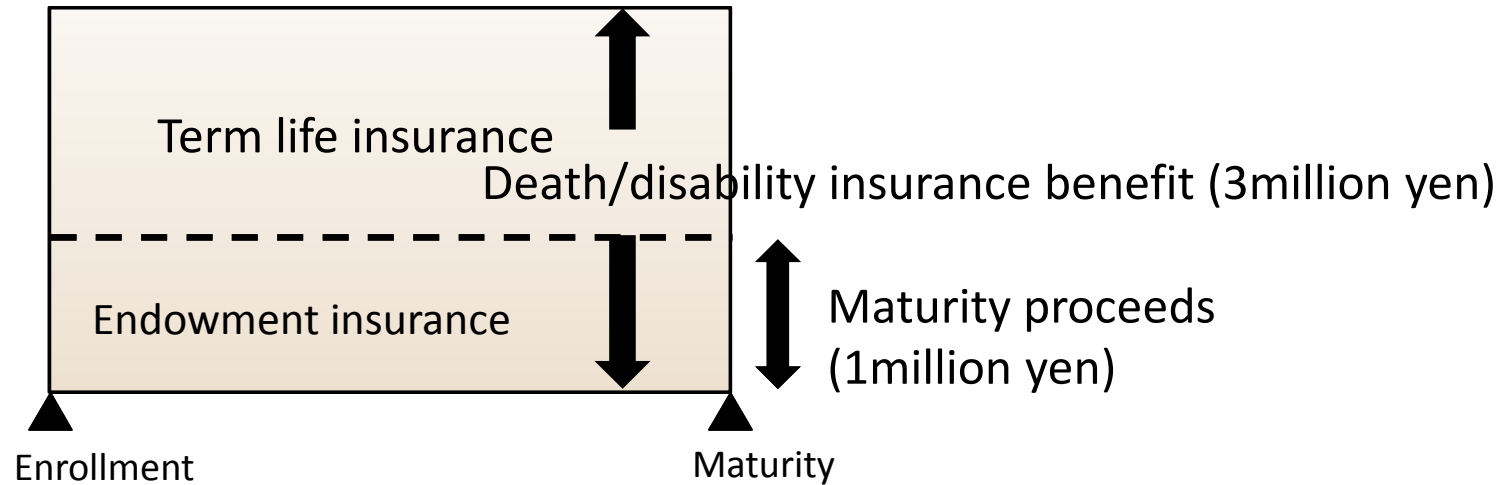
- Rapid economic growth era (price rise and income level increase)
- Urban population growth, and increased trend in nuclear families

### 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 Major Products

## ■ Endowment policy with term life rider (example)

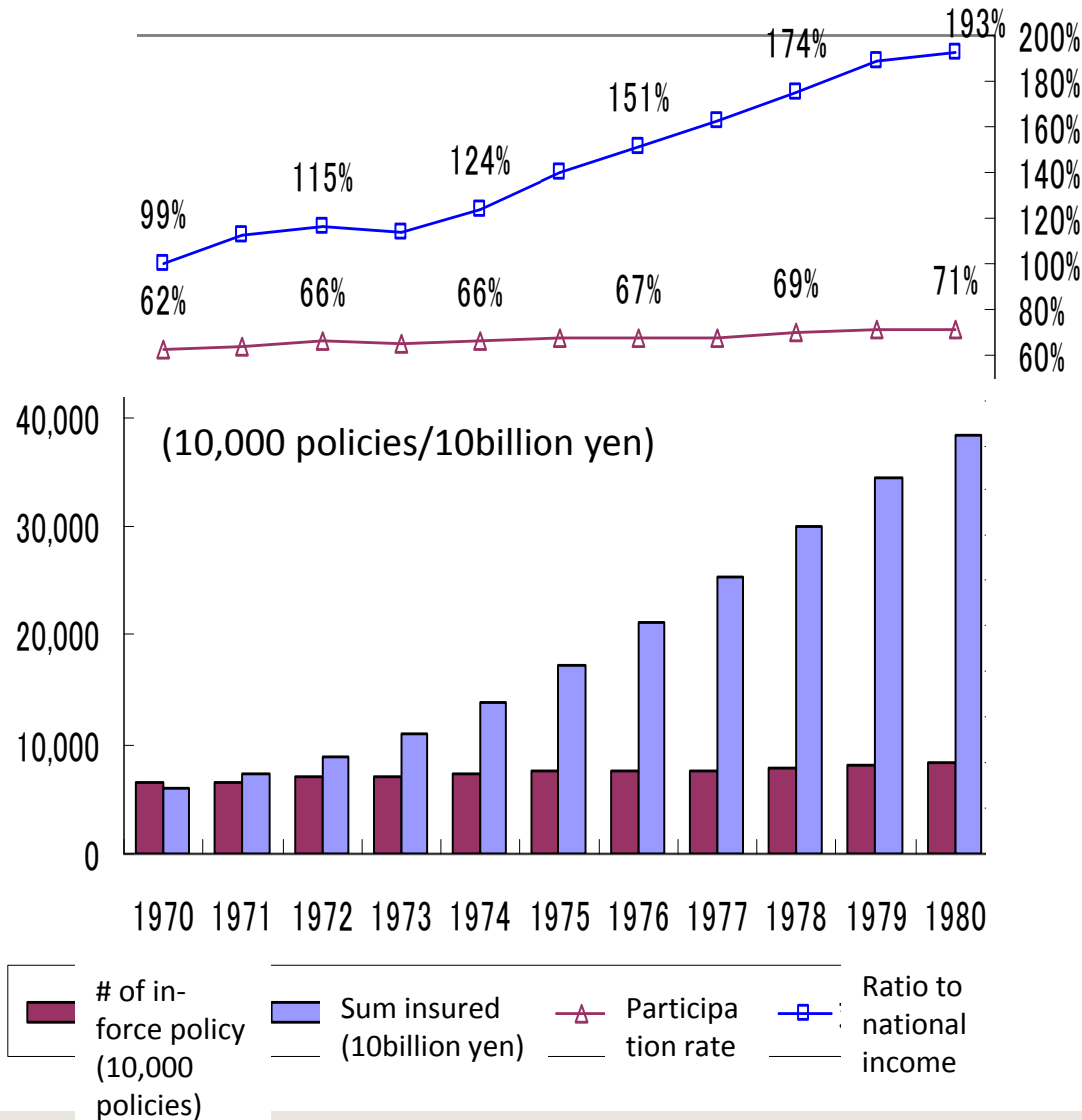


### <Product features>

- 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 Major Products

■ 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

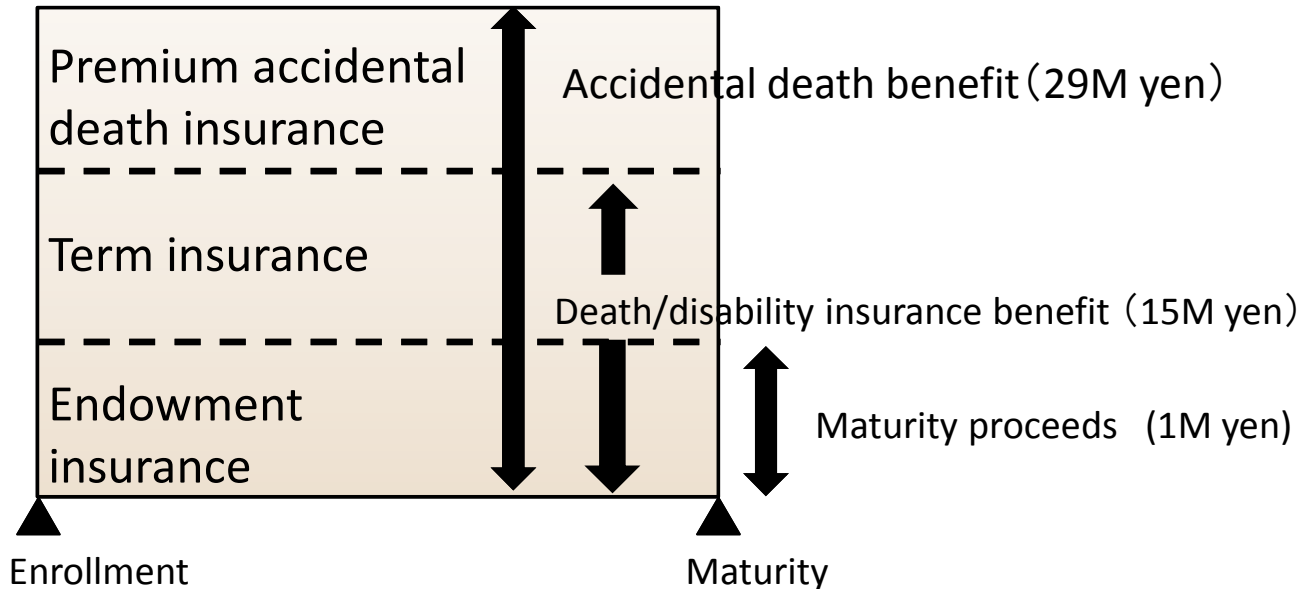
“Triple type” endowment policy with term life rider → “10-fold to 15-fold type”

- Attempt to increase contract amount, while the customer number remained almost unchanged.



# 1. Transition of Major Products

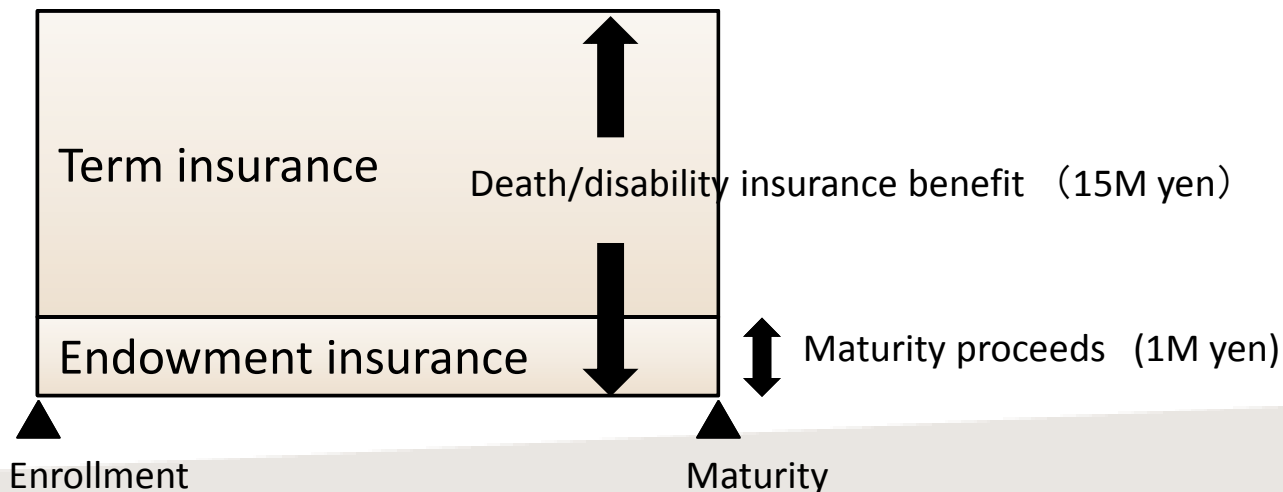
## ■ Special coverage premium insurance (example)



### <Product features>

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

## ■ Endowment insurance with term (example)

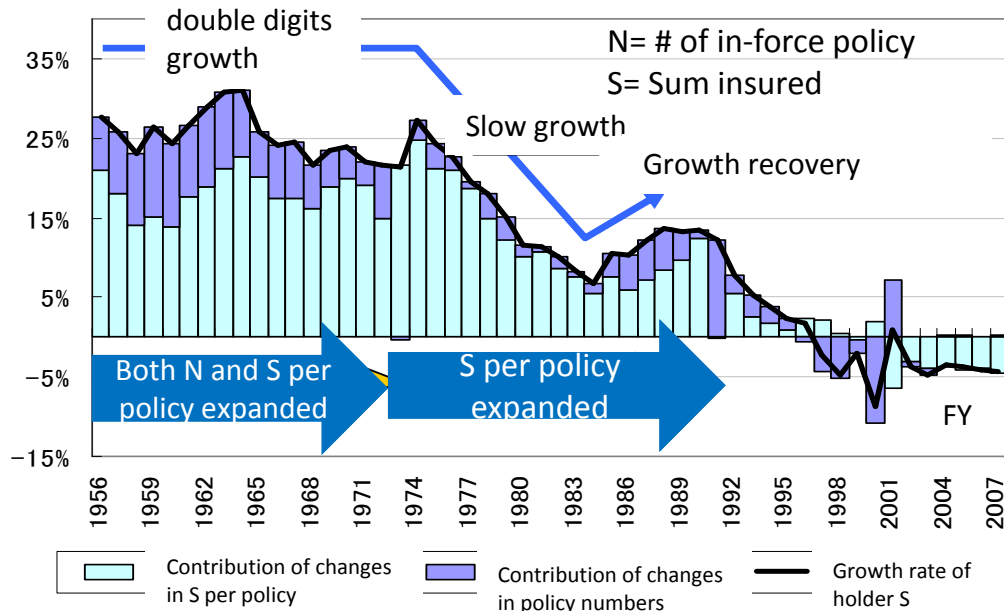


### <Product features>

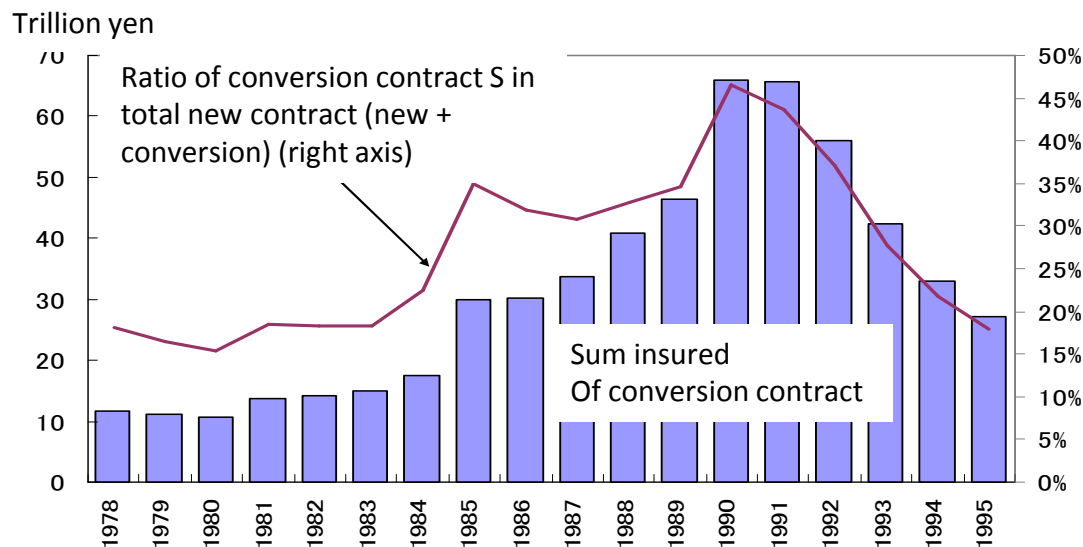
- A term life rider is detached from the endowment policy, and this provided more flexibility in product design.
- Better coverage for death/disability, with higher ratio than conventional ones.
- When reaching maturity, the maturity proceeds will be provided.

# 1. Transition of Major Products

■ 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.

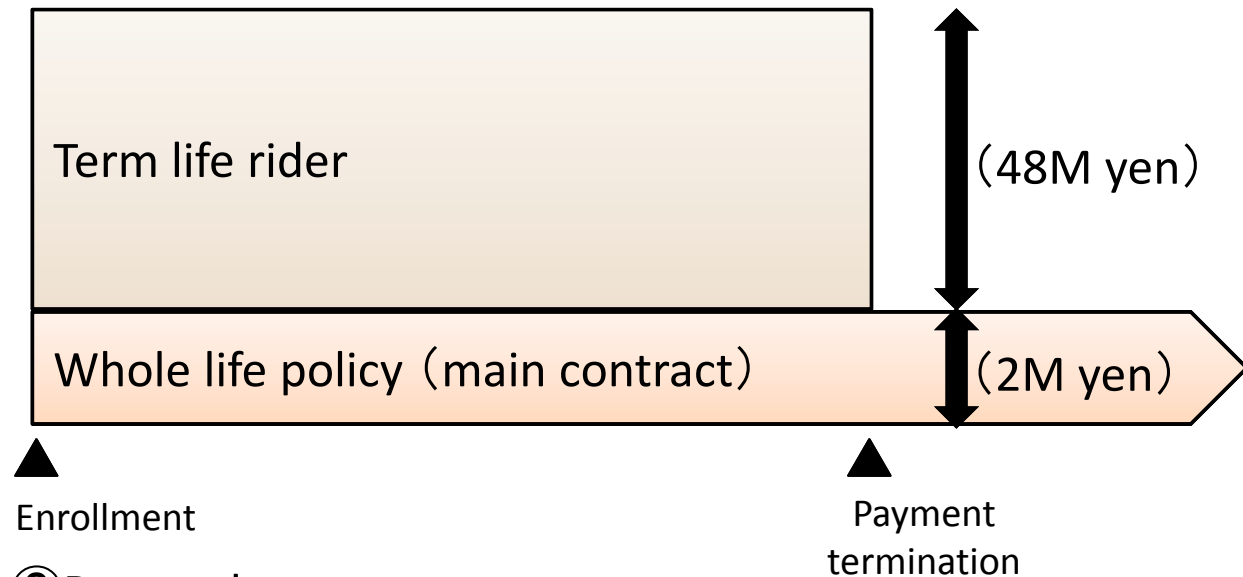
## Response of insurance companies

- 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.

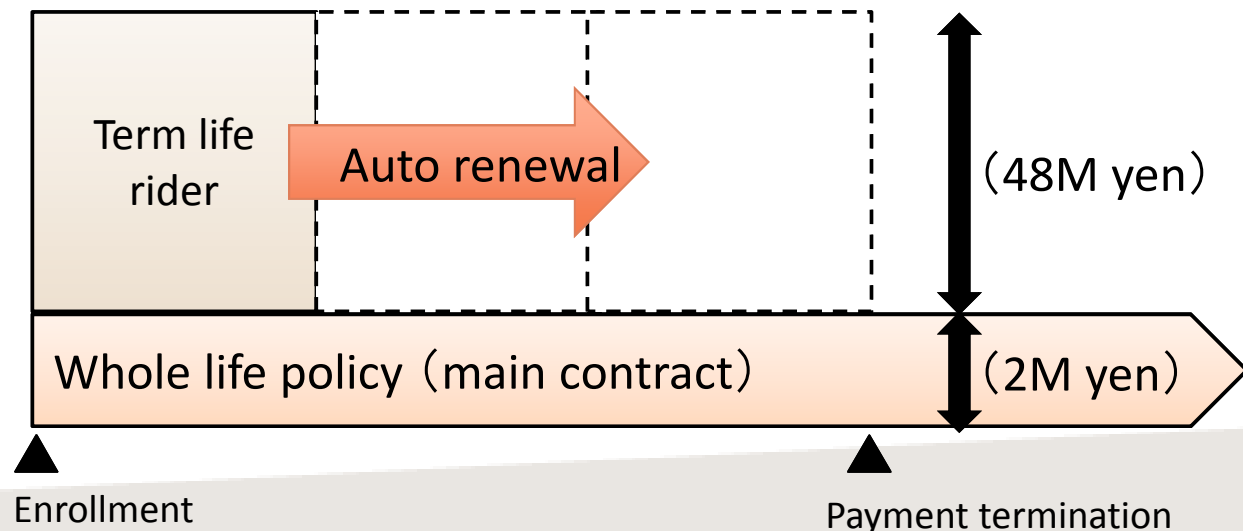
# 1. Transition of Major Products

## ■ Whole life with term life rider (example)

### ① Whole term type



### ② Renewal type



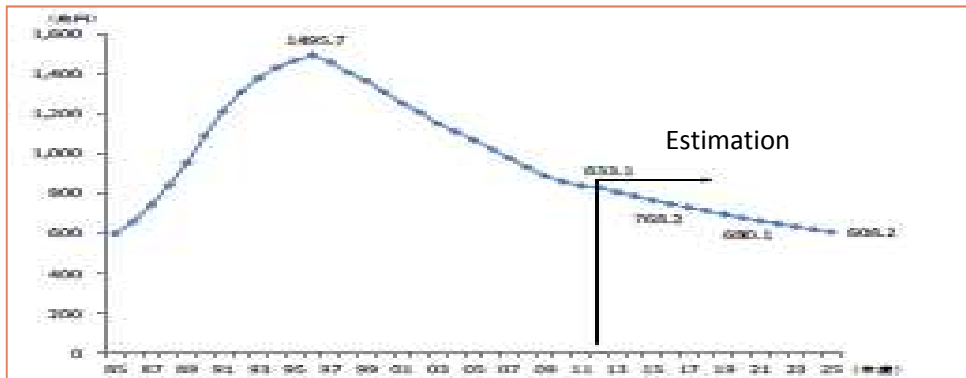
### <Product features>

- Combination of whole life insurance and term life insurance
- 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 Major Products

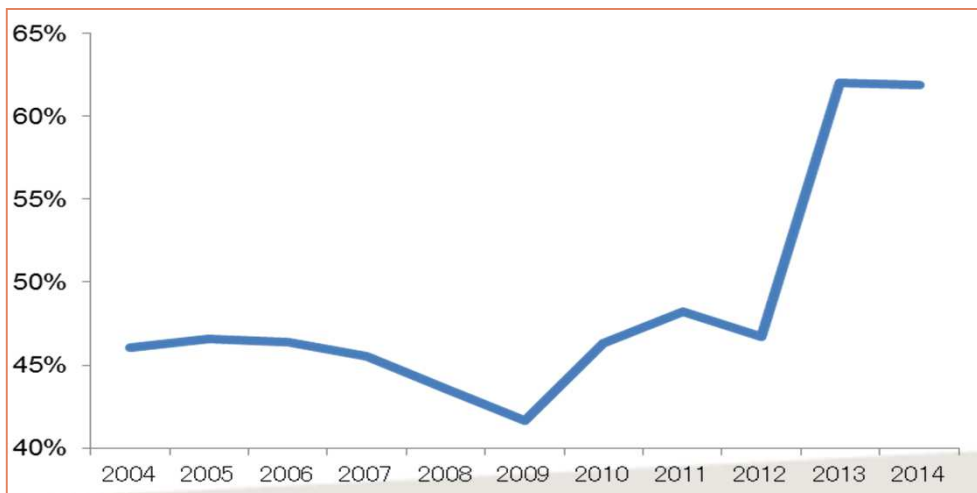
## ■ 2000s - present

### 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 Major 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 10,000 yen  
(60 day type) Per day

Eight lifestyle-related disease 10,000 yen  
hospitalization rider (120day type) 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

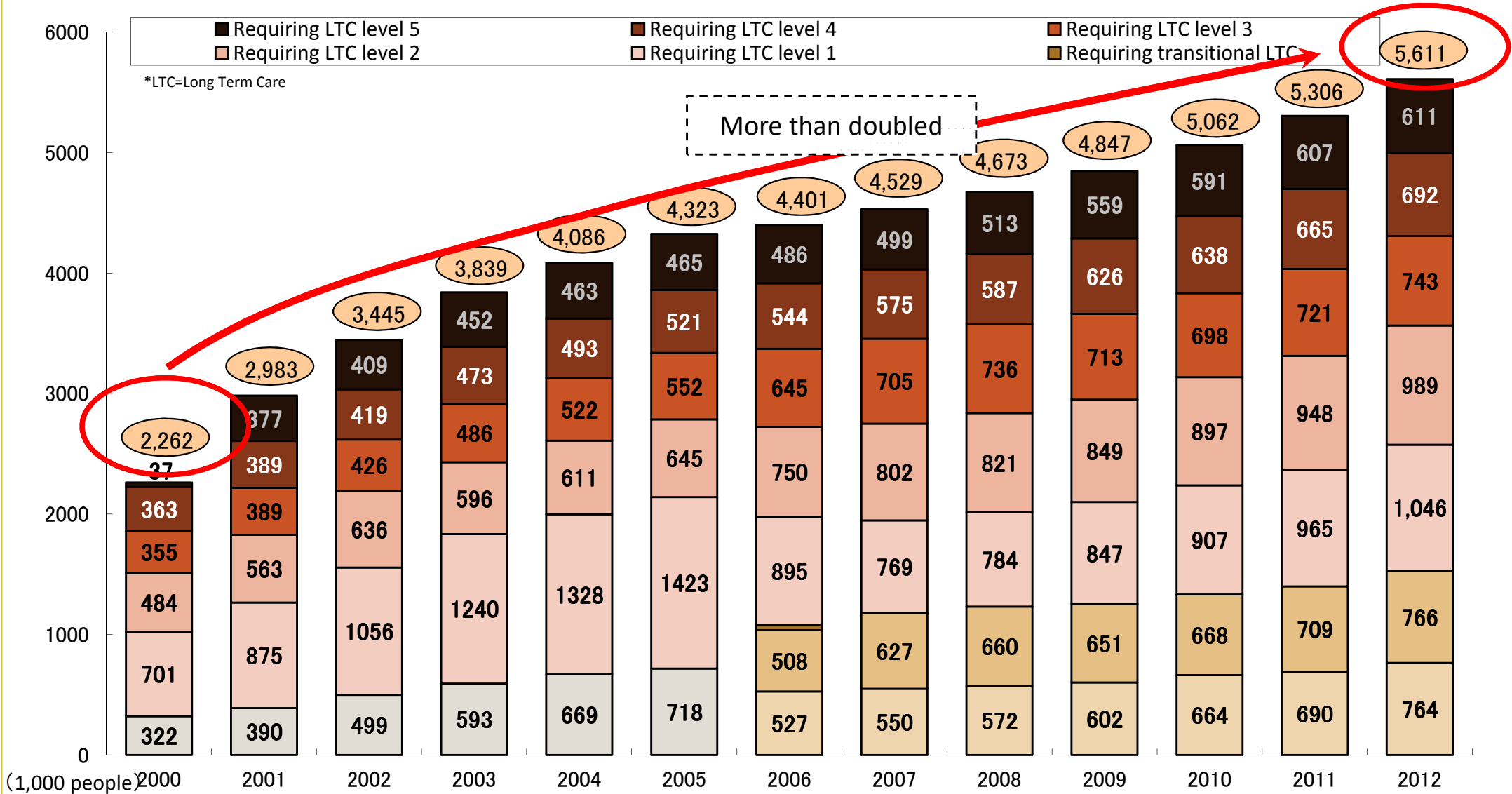
When diagnosed with (1)cancer, (2) stroke, (3)heart attack, (4)disability (5)care, future premium payment will be waived (providing simple coverage, linked to payment requirements of “Assist Seven” rider).

## II. Main Products focusing on Changes in the Social Environment

# 2. Main Products focusing on Changes in the Social Environment

## ~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)



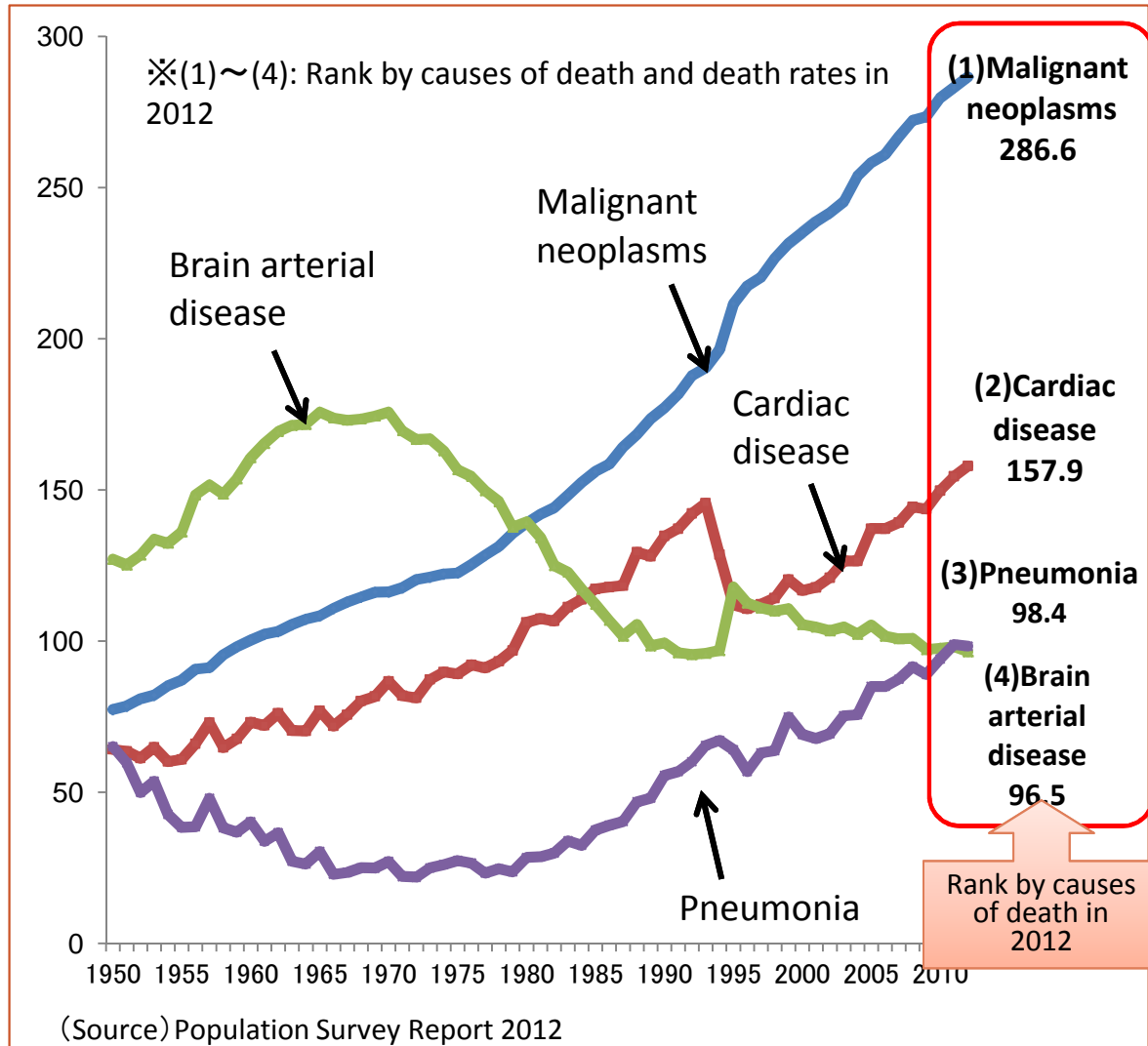
[Status Report on the Long term care Insurance Business (annual report), Ministry of Health, Labor and Welfare]

## 2. Main Products focusing on Changes in the Social Environment

~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        |
|--|--------------|
| <b>Brain arterial disease (stroke)</b>                   | <b>21.5%</b> |
| 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

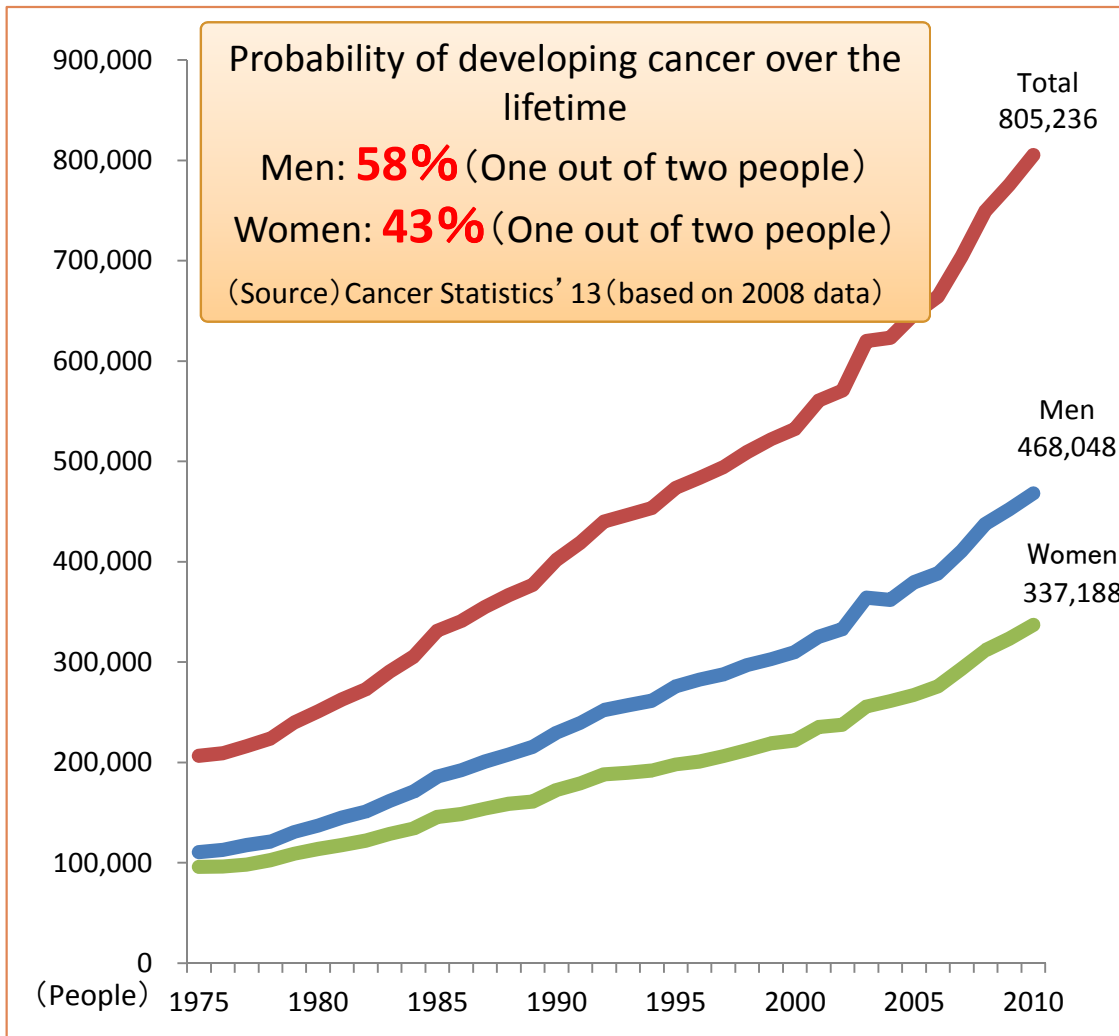
(Source) Comprehensive Survey of Living Conditions 2010



## 2. Main Products focusing on Changes in the Social Environment

~The number of cancer patients increased due to aging population

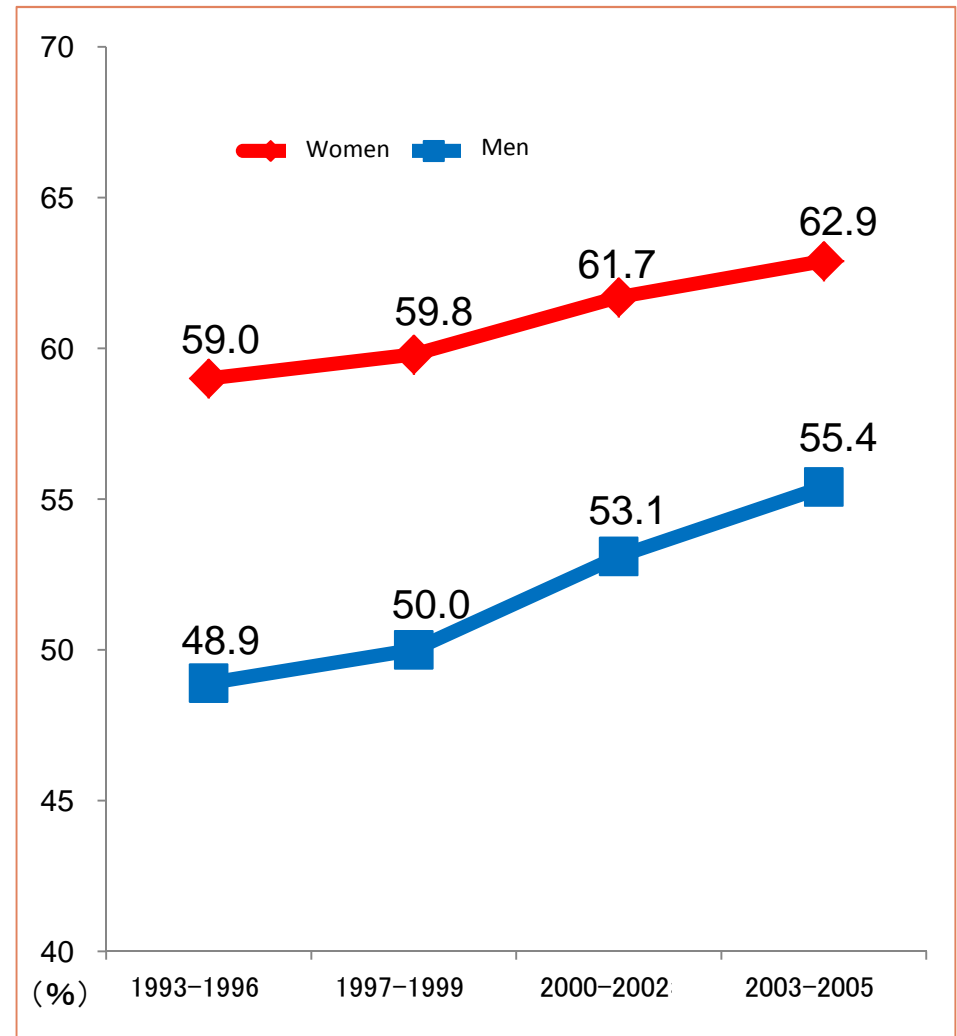
■ Trends in the number of cancer patients (1975-2010)



(Source) Cancer Statistics '13

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

■ Cancer: five-year relative survival rate

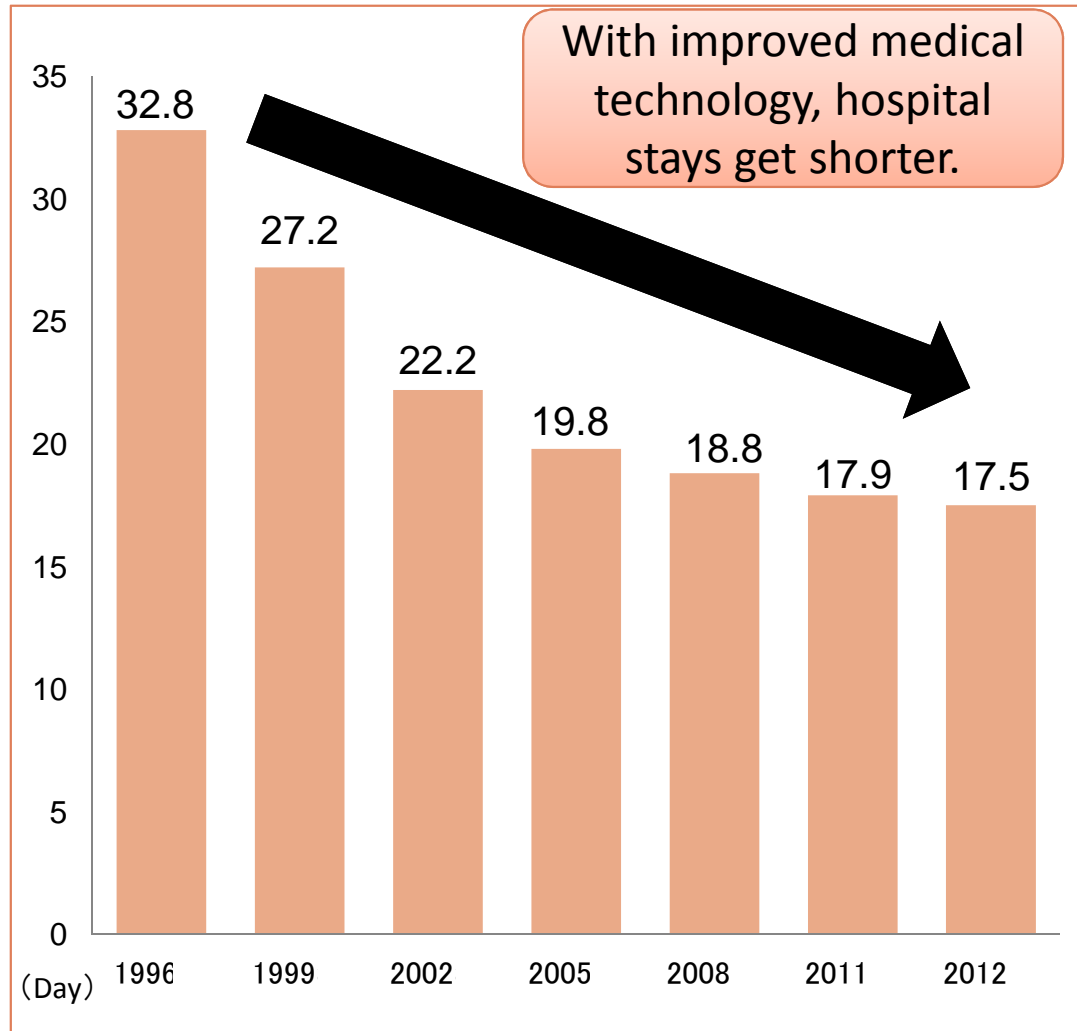


(Source) Cancer Statistics '13

## 2. Main Products focusing on Changes in the Social Environment

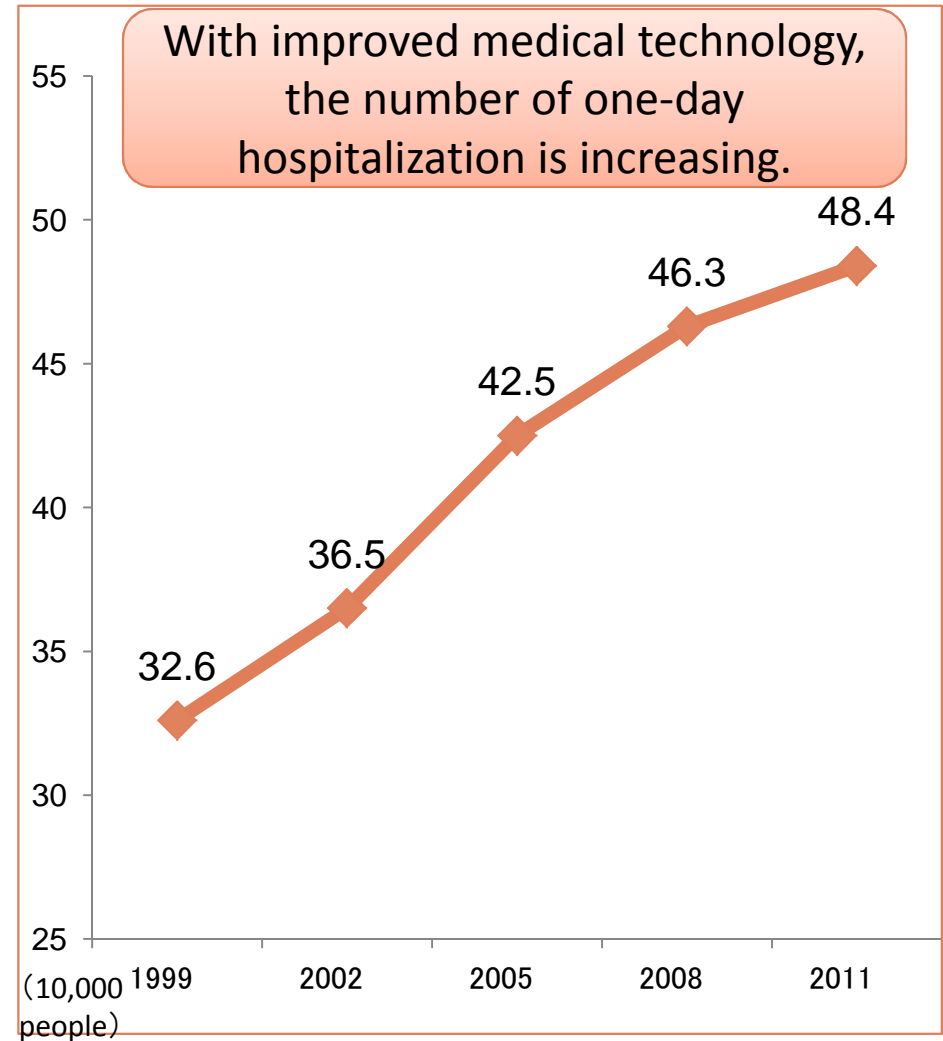
~Shortening the number of days of hospitalization

### 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

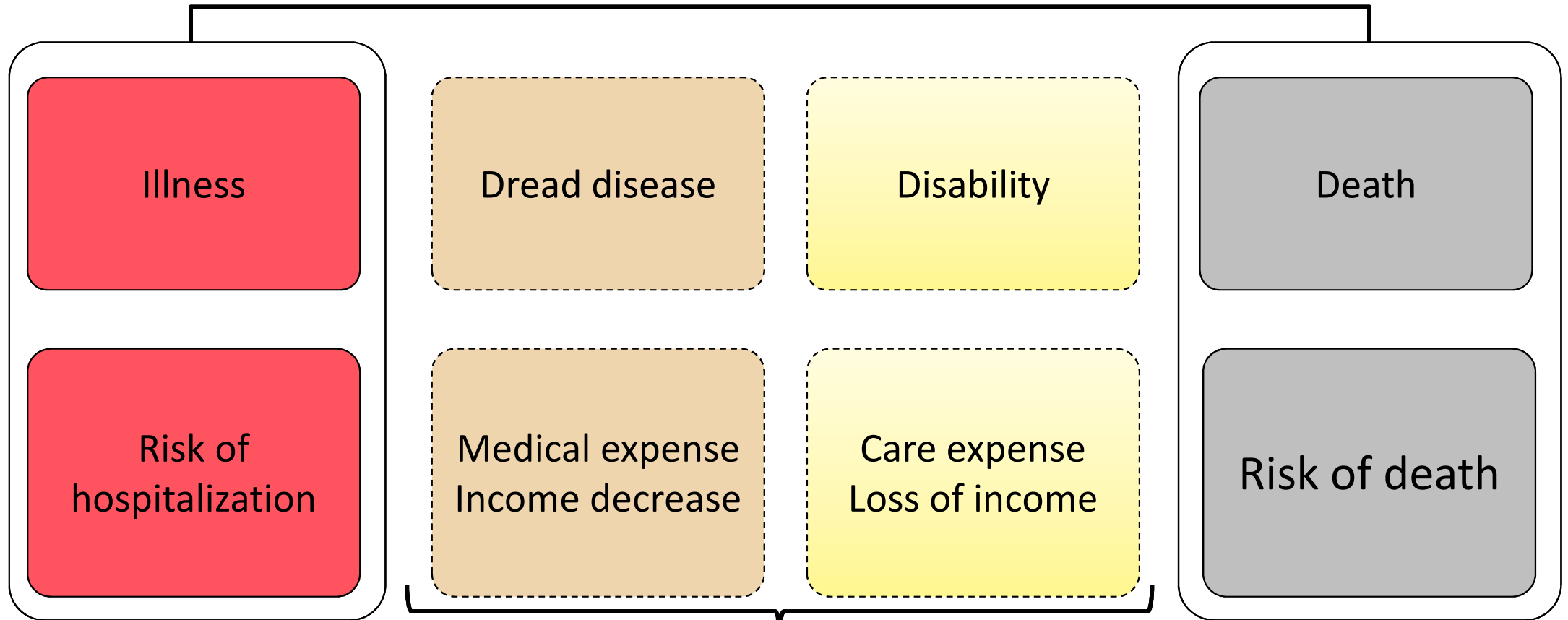


(Source) Ministry of Health, Labor and Welfare, "Patient Survey"  
※The number of day patients is estimated by multiplying the number of day patients in every September by 12.

## 2. Main Products focusing on Changes in the Social Environment

~ Changes in roles of protection-based products

Conventional focuses



Focus of the future

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

## 2. Main Products focusing on Changes in the Social Environment

### ~Main total protection-based products (Bright-way)

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



“Bright-way”, whole life policy  
(with dividend every 5 years)

\* Waiver of premium rider was added in 2013

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

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

(for first 10 years, pay by the month via direct deposit, paid-up: 65 years old, regular premium, renewal every 10 years)

#### 【Repeated】

- 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) heart attack, (3) stroke, (4) care requiring, (5 ) disability, (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 rider

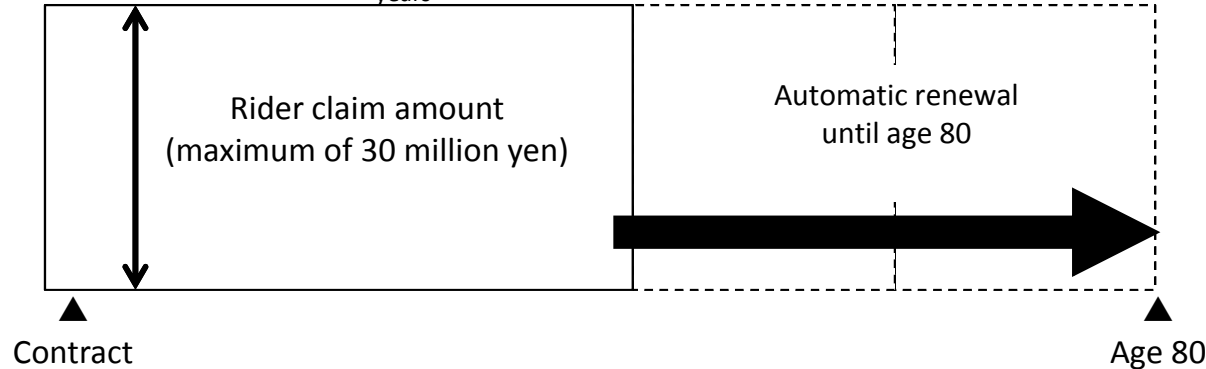
When diagnosed with (1) cancer, (2) heart attack, (3) stroke, (4) care requiring,(5) disability, future premium payment will be waived (providing simple coverage, linked to payment requirements of “Assist Seven” rider).

## 2. Main Products focusing on Changes in the Social Environment ~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



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)          | <b>395,764</b>      | <b>166,460</b> |
| Addition rate                       | <b>95.9%</b>        | <b>96.2%</b>   |
| Sum assured per policy (10,000 yen) | <b>609</b>          | <b>483</b>     |

※Added to “Bright Way”

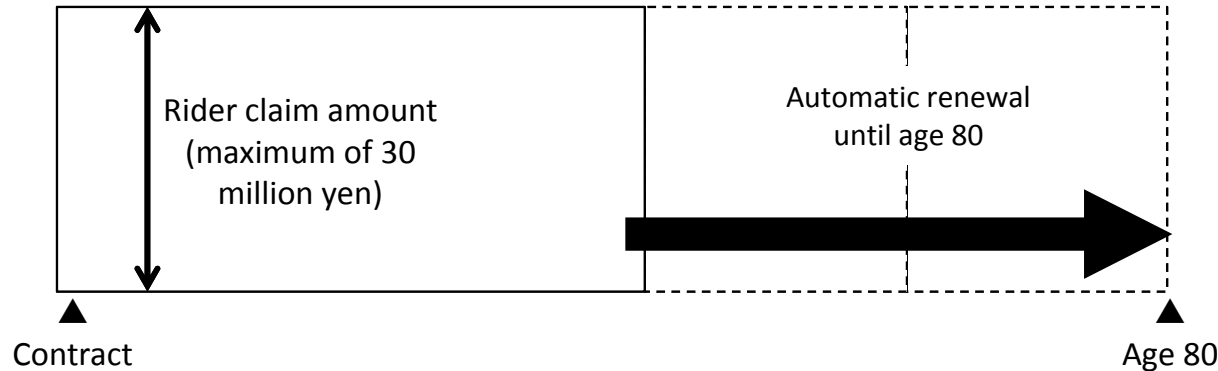
## 2. Main Products focusing on Changes in the Social Environment

### ~Term insurance enhanced protection rider for specific condition (“Assist Seven Plus”)

**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



● 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

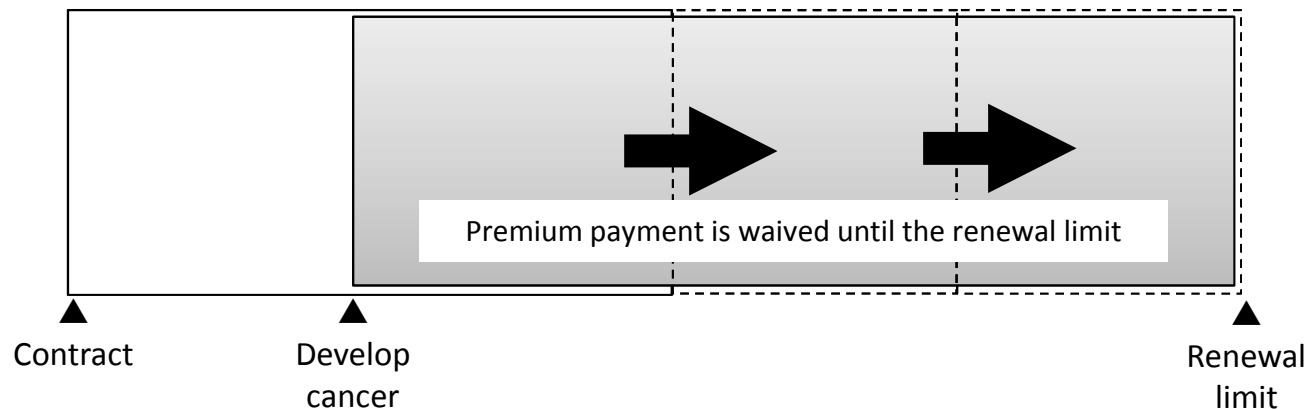
#### 【Sales Performance】

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

※Added to “Bright Way”

## 2. Main Products focusing on Changes in the Social Environment ~ Waiver of Premium Rider(H25)

### 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

#### 【Product Scheme】

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

#### 【Sales Performance】

|               | 2012  | 2013*          | 2014  |
|---------------|-------|----------------|-------|
| Addition rate | 97.8% | 98.3%<br>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]

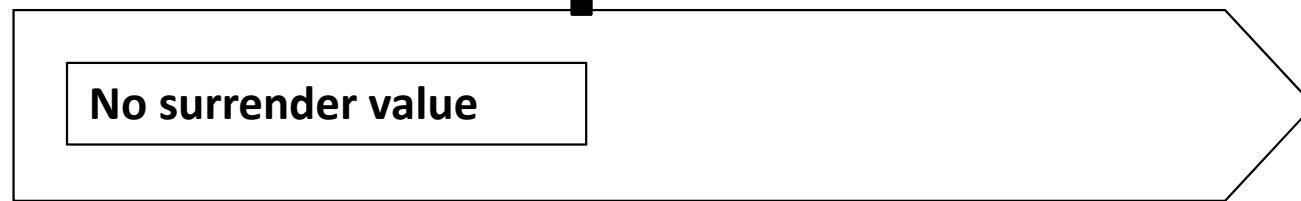
## 2. Main Products focusing on Changes in the Social Environment ~Long Term Care Product (“Crest Way”)

**クレストWay** ウェイ

【 Launched in Jan. 2014 】

Long term care annuities are paid as long as the policyholder is alive

Long term care whole life insurance with dividends every five years (no surrender value)



Contract

Level 2 long term care equivalent

Continuous premium

● Fixed benefit for Long term care  
By adding Assist Seven or Assist Seven plus, fixed benefit can be secured

### 【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) | <b>44,455</b>       | <b>33,437</b> |
| S per policy (10,000 yen)  | <b>79</b>           | <b>69</b>     |

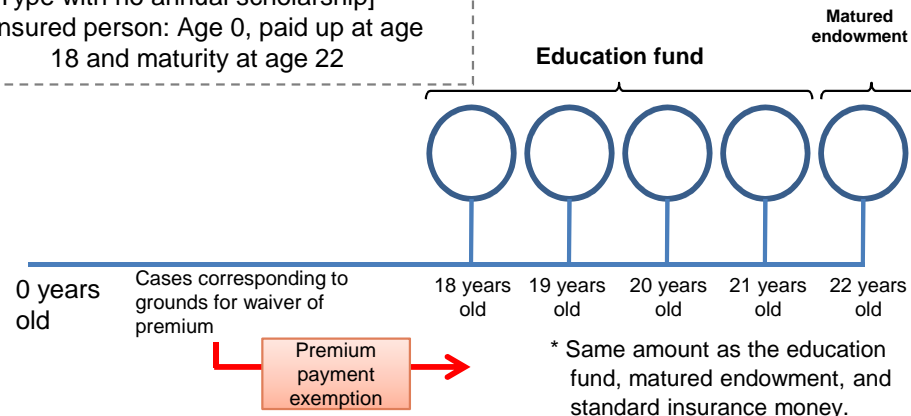


### III. Products that Support “Total Life Planning”

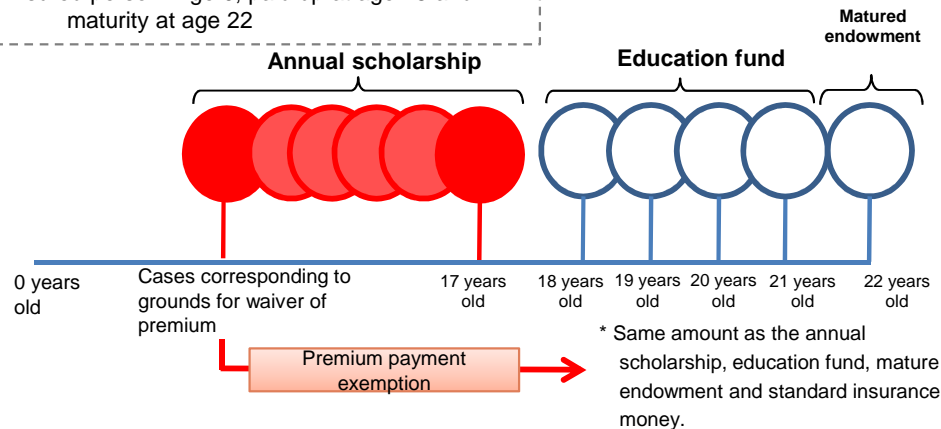
# 3-1. Educational Insurance for Children

## Insurance for providing for children's educational expenses

[Type with no annual scholarship]  
Insured person: Age 0, paid up at age 18 and maturity at age 22



[Type with an annual scholarship]  
Insured person: Age 0, paid up at age 18 and maturity at age 22



[Major benefits (for the type with no annual scholarship)]

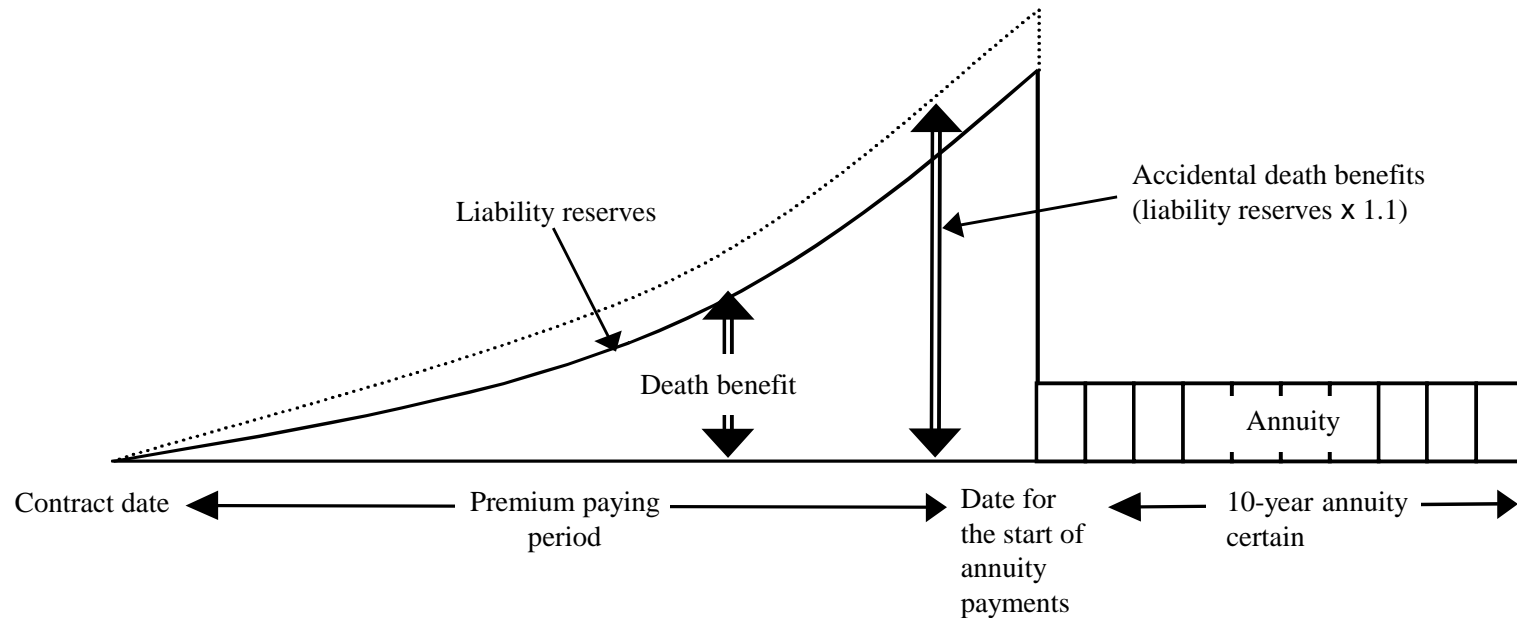
- ① Education Fund  
If the insured person (the child) is alive on the payment date for the education fund, then the standard insurance money amount will be paid out as this education fund in four installments.
- ② Matured Endowment  
If the insured person is alive at the end of the policy period, then the standard insurance money amount will be paid as matured endowment.
- ③ Waiver of Premium  
The policyholder (the parent) is exempted from paying subsequent premiums (refer to the table below entitled "Scope for Waiver of Premium and Grounds for Waiver") when certain prescribed conditions apply to them.
- ④ Death Benefits  
Death benefits are paid when the insured person dies.
- ⑤ Annual Scholarship (for the type with an annual scholarship)  
When certain prescribed conditions apply to the policyholder (the parent) an annual scholarship will be paid, but only up to the day before the payment date for the first installment of the education fund. (The grounds for paying the annual scholarship shall be the same as the grounds for waiver of premium)

● Scope for Waiver of Premium and Grounds for Waiver

| Scope for waiver of premium | Grounds for waiver of premium (prescribed conditions)   |
|-----------------------------|---|
| Broad                       | <ul style="list-style-type: none"> <li style="width: 25%;">• Cancer</li> <li style="width: 25%;">• Acute myocardial infarction</li> <li style="width: 25%;">• Stroke</li> <li style="width: 25%;">• Prescribed condition of physical disability</li> <li style="width: 25%;">• Prescribed condition of nursing care</li> <li style="width: 25%;">• Prescribed condition of disability</li> <li style="width: 25%;">• Death</li> </ul> |
| Narrow                      | <ul style="list-style-type: none"> <li style="width: 50%;">• Prescribed condition of disability</li> <li style="width: 50%;">• Death</li> </ul>   |
| None                        | • None  |

## 3-2. Individual Annuity Insurance

- “Saving” insurance for accumulating funds for old age

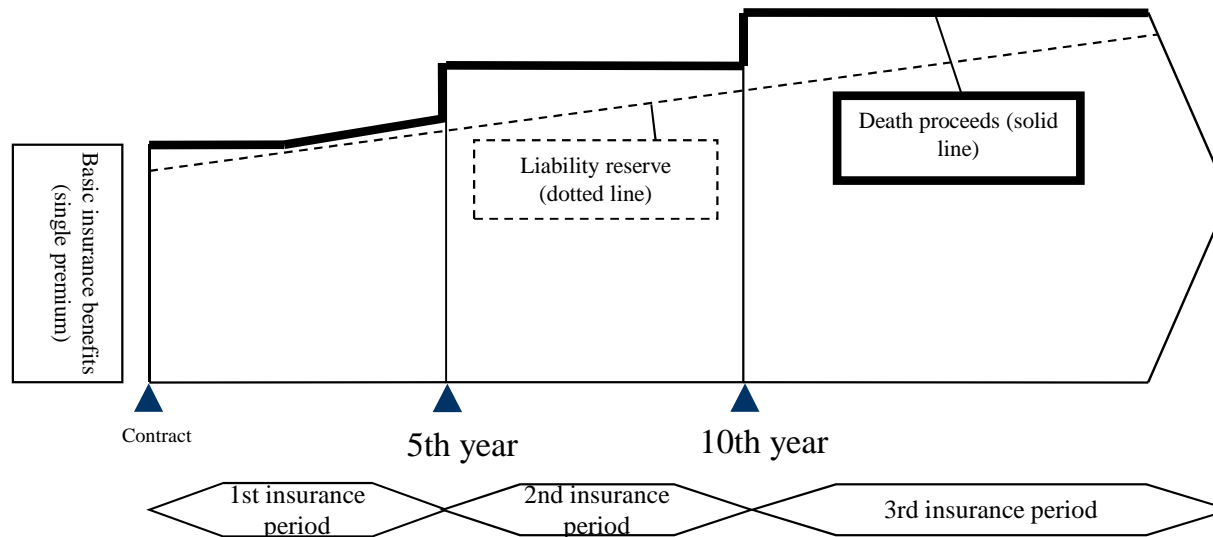


### [Structure and Features]

- Annuity premiums payable in the future are defined in order to apply the assumed interest rates at the time of the contract conclusion over the entire period of insurance.
- Planning for asset growing for the future is possible.

### 3-3. Nonparticipating, Single Premium Whole Life Insurance (declaration unneeded)

- Whole life insurance available regardless of state of health
- Insurance that combines the two functions of “prepare for the worst” and “savings”



#### [Structure and Features]

- Premium paid as a single payment
- Death proceeds curtailed for a set period after entry, eliminating need for declaration/examination
- Products more responsive to the market money rates
  - The assumed interest rates applied at the time of new contract entry are set monthly according to the market rate. (Because the assumed interest rates applied at the time of contract entry do not change during the insurance period, the amount for refund upon contract cancelation is determined at the time of contract entry.)

### 3-4. Rider to Secure Accidental Death, Injuries, Hospitalization & Medical Operation (1)

| Name of Rider                                   | Name of Benefit                           | Content of Benefit   |
|---|---|--|
| New Comprehensive Medical Care Rider            | Accidental Hospitalization Benefit        | <ul style="list-style-type: none"> <li>The daily hospitalization benefit x hospitalization days is paid in case of hospitalization for more than 1 day due to injury.</li> <li>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.</li> </ul>   |
|   | Sickness Hospitalization Benefit          | <ul style="list-style-type: none"> <li>The daily hospitalization benefit x hospitalization days is paid in case of hospitalization for more than 1 day due to sickness.</li> <li>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.</li> </ul>   |
|   | Operation Benefit                         | <ul style="list-style-type: none"> <li>The benefit is paid when the insured has an operation which is covered by National Health Insurance due to sickness or injury.</li> <li>[Operation while in hospitalization]: daily hospitalization benefit x 20,</li> <li>[Operation for outpatient]: daily hospitalization benefit x 5</li> </ul>   |
|   | Radiation Treatment Benefit               | <ul style="list-style-type: none"> <li>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.</li> </ul>   |
|   | Bone Marrow Donors Benefit                | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
| Hospitalization Lump Sum Benefit Rider          | Hospitalization Lump Sum Benefit          | <ul style="list-style-type: none"> <li>The hospitalization lump sum benefit is paid when the insured is hospitalized and is eligible for accidental hospitalization benefit / sickness hospitalization benefit.</li> </ul>   |
| Hospitalization 8 Major Lifestyle Disease Rider | Hospitalization Benefit                   | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |
| Hospitalization Women's Specified Disease Rider | Hospitalization Benefit                   | <ul style="list-style-type: none"> <li>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.).</li> <li>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.</li> </ul>   |
| Advanced Medical Treatment Rider                | Advanced Medical Treatment Benefit        | <ul style="list-style-type: none"> <li>Payment equivalent to the cost of advanced care under the public medical insurance system.</li> <li>Overall payment limit: 20 million yen</li> </ul>  |
|   | Advanced Medical Treatment Single Benefit | <ul style="list-style-type: none"> <li>20,000 yen will be paid at the time of payment of advanced medical treatment benefits.</li> </ul>   |

### 3-4. Rider to Secure Accidental Death, Injuries, Hospitalization & Medical Operation (2)

| Name of Rider                    | Name of Benefit                    | Content of Benefit  |
|----------------------------------|------------------------------------|---|
| Injury Rider                     | Accident Benefit                   | <ul style="list-style-type: none"> <li>The accident benefit is paid when the insured dies due to the accident within 180 days from the accident.</li> </ul>   |
|                                  | Disability Benefit                 | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
| Specific Damage Rider            | Specific Damage Benefit            | <ul style="list-style-type: none"> <li>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.</li> <li>The aggregate times of payment are limited to 10.</li> </ul> |
| Women's Specific Treatment Rider | Women's Specific Operation Benefit | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
|                                  | Breast Reconstruction Benefit      | <ul style="list-style-type: none"> <li>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.</li> </ul>  |

## 3-5. Rider to Cover Various Risk While Living (1)

| 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"> <li>The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).</li> </ul>   |
|  | Disability Insurance Benefit               | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured becomes a prescribed invalid.</li> </ul>  |
|  | Nursing Care Benefit                       | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>   |
|  | Death Insurance Benefit                    | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured dies.</li> </ul>  |
| Security for Fulfilling of Specified Conditions Death Coverage Rider<br>*One of these benefits will be paid. | Fulfilling of Specified Conditions Benefit | <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul> |
|  | Specific Disease Insurance Benefit         | <ul style="list-style-type: none"> <li>The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).</li> </ul>   |
|  | Disability Insurance Benefit               | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured becomes a prescribed invalid.</li> </ul>  |
|  | Death Insurance Benefit                    | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured dies.</li> </ul>  |

## 3-5. Rider to Cover Various Risk While Living (2)

| Name of Rider   | Name of Benefit                    | Content of Benefit   |
|---|------------------------------------|--|
| Specific Condition<br>Income<br>Security Rider<br>*One of these<br>annuities will be<br>paid.                                       | Specific Disease Annuity           | <ul style="list-style-type: none"> <li>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.</li> <li>The annuity payment period is selected from whole life, 5 years, 10 years and 15 years at the time of purchase of this rider.</li> </ul> |
|   | Disability Annuity                 | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
|   | Nursing Care Annuity               | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
|   | Death Benefit                      | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
| Specific Disease<br>Security Term<br>Insurance Rider<br>*One of these<br>benefits will be paid.                                     | Specific Disease Insurance Benefit | <ul style="list-style-type: none"> <li>The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).</li> </ul>   |
|   | Disability Insurance Benefit       | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured becomes a prescribed invalid.</li> </ul>  |
|   | Death Insurance Benefit            | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured dies</li> </ul>   |
| Security for<br>Diagnosis of<br>Designated/Specified<br>Diseases Death<br>Coverage Rider<br>*One of these<br>benefits will be paid. | Designated Diseases Benefit        | <ul style="list-style-type: none"> <li>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.</li> </ul>   |
|   | Specific Disease Insurance Benefit | <ul style="list-style-type: none"> <li>The specific disease insurance benefit is paid when the person assured has any of the 3 major diseases (cancer, acute cardiac infarction, and stroke).</li> </ul>   |
|   | Disability Insurance Benefit       | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured becomes a prescribed invalid.</li> </ul>  |
|   | Death Insurance Benefit            | <ul style="list-style-type: none"> <li>The rider insurance benefit is paid when the person assured dies.</li> </ul>  |



## 3-6. Rider to Reduce Premium Payment

| Name of Rider                       | Content of Benefit   |
|-------------------------------------|--|
| Premium Payment Exemption Rider (*) | <ul style="list-style-type: none"><li>• The subsequent premium payment of the whole contract is waived when the person assured by the master contract has one of the 3 major diseases (cancer, acute cardiac infarction, and cerebral embolism), is physically disabled, or needs care.</li><li>• Does not apply to breast cancer within 90 days from the start of the liability period, in situ carcinoma, and skin cancer other than malignant melanoma.</li></ul> |

(\*) Sale of “Premium Payment Exemption Rider” was launched in 1999

→ current added rate 98% Best-selling product that matched the increasing sense of burden caused by a decrease in household income

## IV. Direction of the Product Development Strategy Going Forward

## 4.Product Strategy that Supports “Total Life Planning”

### (1) From “Death” Insurance Company to a “Life” Insurance Company

- As the death coverage market scales down, we cannot grow business by offering death security to the core policy purchasers (people in their 20s – 40s)
- Development of products which can be offered to the existence security market including health protection and nursing care insurance has become indispensable
- The death security market with over JPY1,100 trillion of insurance in force is still the main market; however, the focus should be shifted over to “existence security” in line with social trends of deflation and aging population
- In the existence security market, close combination of products which fit the characteristics of the target market and sales channels which can grip the market will be the key

## 4.Product Strategy that Supports “Total Life Planning”

### (2) Product Design without Assuming Steady Growth in Economy

- Traditionally, products including renewal of special riders, stepped payment system and long-term fixation of the assumed rate of return were developed and designed anticipating steady growth in economy, assuming “customers’ income should increase every year”, “stock prices should rise” and “interest rates should be maintained at the high level”.
- As the deflationary economy persists and the household income decreases, demand for products with “unchanging premiums” is increasing.
- Development of products assuming continuing deflation in economy is sought after.