

Japan's insurance companies' engagement with local governments for health promotion

1. Introduction: Increasing importance of health promotion with the progress in aging

The term “100-year life” has been quite familiar in Japan. According to the Annual Report 2020 issued by the Ministry of Health, Labour and Welfare, it is estimated that 42% of Japanese men would live up to 90 years old and 20% of Japanese women would live up to 100 years old in the year of 2040. Furthermore, the overseas study surprisingly estimates that half the Japanese children born in 2007 would live up to 107 years old or longer. (Data source is available at www.mortality.org) This study was cited by a Professor Lynda Gratton of London Business School, and she, as an advisor, submitted it to the “Japan council for designing 100-year life society meeting” held in September 11, 2017. It goes without saying that to make an environment in which people can spend 100 years in good health regardless of their age, gender or disability cannot be achieved by individual efforts but it definitely requires active engagement and support of society as a whole to the people.

As introduced in our earlier email magazine last year, Japan's life insurance companies have been already engaged with local governments through various activities to attain 17 Sustainable Development Goals (SDGs) which were adopted in 2015 by the United Nations. The third out of 17 goals is “GOOD HEALTH AND WELL-BEING” and this time in this magazine, we will introduce how the insurance industry is contributing to this goal in terms of health promotion.

2. Engagement with health management by society as a whole

Government of Japan has set “basic principles of healthcare industries - aiming to create the lifelong active society” and promotes prevention and health management through self-medication for working generation. Whereas, it focuses upon prevention, early diagnosis and establishing progression control methods for elderly people. In addition, it is promoting to establish a structure called ‘the Community-based Integrated Care System’ that comprehensively ensures the provision of health care, nursing care, prevention, housing, and livelihood support. By this, the elderly could live their lives in their own ways interacting with others in society, for example through volunteer work and stay active in their own communities.

In addition, the Japanese government encourages private companies to give consideration

to the health of their employees by promoting various awards systems related to Health and Productivity Management (H&PM) *¹ such as “Health & Productivity Management Companies’ Stock Selection Program” *² and Certified Health & Productivity Management Organization Program*³. For the elderly, there is the public nursing care insurance system to support their independent livings, as we have introduced in our earlier email magazine.

For “GOOD HEALTH AND WELL-BEING”, utilizing technologies also plays a crucial part, that is to say a realization of what is called “Society 5.0”*⁴ or “Super Smart Society”. By making the best use of innovative technologies, we can monitor human body, physiological functions and behavior as data. With the advancement of various technologies including the one of biotechnology, it is believed to be able to treat or prevent diseases that could not be cured so far. It can also contribute to the health of humankind all over the world and various problem solving as well. In the Society5.0, technology in the form of big data, Robot, IoT(Internet of Things) and AI(Artificial Intelligence) that private companies provide and develop has become increasingly in high demand for the future.

*1 Health and Productivity Management (H&PM): An approach that considers health management of employees from a corporate management perspective and promotes it strategically. Investment in employees' health as a corporate philosophy is expected to lead to invigorating a company as a whole by improving employees' vitality and productivity and thus eventually result in enhancing its performance and driving up its stock price.

*2 Health & Productivity Stock Selection Program: The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) have jointly been selecting outstanding listed enterprises that see employee’s health from management perspectives and strategically implement measures to be selected as “Good Health Management Stocks”.

*3 Certified Health & Productivity Management Organization Program: This program is to highlight outstanding enterprises engaged in efforts to advance Health and Productivity Management Program and thereby aims to organize an environment in which such enterprises are able to gain enhanced public recognition.

*4 A human-centered society that balances economic advancement with the resolution of social problems by a system that highly integrates cyberspace and physical space. Society 5.0 was proposed in the 5th Science and Technology Basic Plan as a future society that Japan should aspire to. It follows the hunting society (Society 1.0),

agricultural society (Society 2.0), industrial society (Society 3.0), and information society (Society 4.0).

3. Actions of life insurance companies

As you are well aware, the SDG goal “GOOD HEALTH AND WELL-BEING” is related to the policy of life insurance companies, the policy which companies should directly contribute to customers’ healthy living and be there for support when they are in need. According to the World Health Organization (WHO), “health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.” There is now great interest in mental health in the corona virus pandemic because mental health is definitely an important factor for “Wellbeing”.

For achieving the SDGs, the collaboration of private and public sector is essential and the vast networking and cooperation of stakeholders are desirable. Local governments aiming at effective outcome utilizing implementation ability of community-based life insurance companies with its own network can build a win-win relationship with life insurance companies hoping to enhance a sense of presence by cooperating with local governments and possibly come across a new business opportunity through the cooperation.

As introduced in our email magazine published last December, quite a few Japanese life insurance companies have already concluded comprehensive partnership agreements*⁵ with local governments and play active roles in meeting regional challenges and supporting health promotion with the use of big data.

*⁵ Comprehensive partnership agreement: an agreement between a local government and a business having the public mind to cooperate in a broad range of areas such as welfare, environments, disaster prevention and regional development.

For instance, here is one insurance company cooperating with a national medical institute to support customers’ health by dispatching customized information depending on the regions via staffs working throughout Japan. They provide the right piece of information based on big data and give support for the enlightenment activities to prevent illness and disease over time. For regions with many cases of diabetes, local governments, the national institute and the insurance company act together to solve the local health and medical problems related to lifestyle by means of conducting seminars. This is just one case and at

present, there have been many ongoing cases of comprehensive partnership agreements for health promotion between life insurance companies and local governments.

In some cases of country's promotion for Health and Productivity Management, there have been increased cases of adding incentive by local governments, regional banks and insurance companies when making new contracts. For example, there is a "discount for Health and Productivity Management". When an insurance company makes a contract of group term insurance with some company and if the company is a Certified Health & Productivity Management Organization, the premium rate will be discounted by 5% of net premium. In another case, a local government will give some consideration to a company in a public bidding system if it is a Certified Health & Productivity Management Organization. Public and private sector are both working to promote dissemination of Certified Health & Productivity Management Organizations.

Next, let's take a look at holistic approach by a local government. Take examples of Yokohama City where FALIA office is located. In the city of Yokohama, there is a network called "Yokohama Wellness Partners" consisting of private companies, industry group and the municipal government. They cooperatively act as promoters for healthy living of citizens by disseminating notion of "Health and Productivity Management" and also provide health-related services to the public. A number of life insurance companies such as AXA Life Insurance Co., Ltd., Sumitomo Life Insurance Company, The Neo First Life Insurance Company, Limited and Meiji Yasuda Life Insurance Company are listed as partners of this network. Actions of these companies are as follows: 1) recommending other companies to be qualified as "Health and Productivity Management" 2) publicizing the cities' operation towards healthy living (e.g. organizing Yokohama Enjoy Walking campaign, urging to take a cancer screening test/Lifestyle Health Check-ups and Health Guidance, notifying health-related seminar schedule etc.) 3) sending staffs as lecturers to health-related seminars. These types of collaboration of public with private sector are gaining momentum not only in Yokohama but throughout Japan for citizen's healthy life.

Other than the above, as an initiative related to Society 5.0, many insurance companies have already started providing health support functions and helping to check the status of health conditions by free smartphone apps. Needless to say, using the digital device is just a tool for a sales staff to support individual customer's health.

4. Summary: Future Role of life insurance companies

As introduced above, Japanese insurance companies have been engaged in achieving the goal of "GOOD HEALTH AND WELL-BEING", the third goal of the SDGs, through public-private partnerships, utilization of big data and IT technology. This is by no means a temporary action. As the aging society progresses and society as a whole is strongly required to actively maintain and promote the health of individuals, it is becoming more and more important to provide tailored support services by life insurance companies in collaboration with the local government.

The average life expectancy is increasing across the world. An aging of society is the challenge we would face soon or later. As the aging further advances, it will be strongly demanded to extend healthy life expectancy for individuals as well as for society. Therefore, this is, of course, not just an issue for Japan. Has public-private partnership already started in your country / region? We hope that we can exchange experience and expertise on the platform of FALIA with respect to the arrival of the aging society we face.