



# International Information Exchange

Country : Japan

Presenter : Yoshihiro Syuto  
OLICD Center

# International Information Exchange

## JAPAN FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	377,955 km <sup>2</sup>		Statistics Bureau, Ministry of Internal Affairs and Communication
Climate/Weather	Tokyo	Average Yearly Temp.: 16.9 °C Annual Rainfall: 1,680 mm	Statistics Bureau (2010)
Population	127,799 (Thousand )		Statistics Bureau (2010)
Young Population (0-14)	16,705 (Thousand, 13.1%)		
Productive Population (15-64)	81,342 (Thousand, 63.6%)		
Elderly Population (Over 65)	29,752 (Thousand, 23.3%)		
# of Households and Ave.ppl/h.h	51,842 (Thousand) / 2.4 ppl		Statistics Bureau (2010)
Average Life Expectancy	Male: 79.4 / Female: 85.9		Statistics Bureau (2010)
Total Fertility Rate (*)	1.39		Statistics Bureau (2010)
GDP (Nominal GDP)	5,936 (USD Billion )		Cabinet Office (2012)
GDP per Capita	46.5 (USD Thousand)		Cabinet Office (2012)
Social Security Program	Annuity (Old-age / Survivor / Accidental), Health Care, Nursing Care		
Remarks	<ul style="list-style-type: none"> <li>▪ Recovering from 2011 Great East Japan Earthquake</li> <li>▪ 2013 Abenomics Economic Recovery</li> <li>▪ The host city of 2020 Summer Olympic Games (<i>Omotenashi</i> -Hospitality)</li> </ul>		

(\*) TFR: The average number of children that would be born to a woman over her reproductive life (15~49).

# International Information Exchange

## 2012 LIFE INSURANCE INDUSTRY FAST FACTS

		(Thousand Policies, US\$ Million)		(Policies, US\$)			
		New Business		Policy In-Force		Average Policy per Person	
Type	# of Policies	S	# of Policies	S	# of Policies	S	
Individual	14,891	778,358	136,017	9,161,630	1.1	71,938	
Indiv. Annuity	1,601	90,915	20,429	1,100,671	0.2	8,643	
Group	318	32,338	39,144	3,935,275	0.3	30,900	

		(US\$ Million)
Criteria	Data/Stats	
# of Life Insurers	43	
Net Premium Income	394,902	
Payment of Insurance Claim	336,903	
Total Assets	3,668,241	
Main Products	Whole Life, Medical, Term, Saving, Cancer	
Distribution Channel	Tied-Agents	233,559 people
	Agencies	Corporate 34,809 entities Individual 61,298 entities
	Mail Order, Internet	Participation rate of 5% (Source: JILI)

\*Calculated based on the exchange rate of JP¥94.05=US\$1 (2013.3.29TTM).

# International Information Exchange

## Challenges of Japan's Life Insurance Industry

### ❑ Responding to the International Standards Set by IAIS

We are watching the movement of International Association of Insurance Supervisors, considering the introduction of their international standards to the industry.

### ❑ Protecting the Elderly

In view of the importance of protection for selling insurance to the elderly, we need to establish the audits to life insurance sales agents in terms of education, management and training for them.

### ❑ Responding to Abuse of Life Insurance System

To be fair and square among policy holders, various measures have been implemented to prevent exploitation of life insurance.

### ❑ Responding to Antisocial Forces—Money Laundering

One of the most important issues for the sound development of the life insurance business is to cut off the ties with anti-social forces to eliminate money laundering. This is a social responsibility imposed on life insurers.

### ❑ Developing New Products That Meet Customer Needs

With the insurance penetration rate of 90.5% and the average policies per household (LIAJ), Japan's life insurance market is saturated/matured. Under such circumstances, development of new products that meet customer needs (Nursing-care, In-kind benefit, Income protection and so on) would be inevitable.

### ❑ Asset Management Under the Low Interest Rate

In the financial environment with a low interest rate, safe and profitable asset management is a responsibility of life insurance companies in the midst of the tough competition with other financial products.