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Japan

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JAPAN FACT SHEET: Country Overview

Criteria	Data/Stats		Source/Year
National Land	377,962 km ²		Statistics Bureau (2013) Ministry of Internal Affairs and Communication
Climate/Weather	Tokyo	Average Yearly Temp.: 17.1 °C Annual Rainfall: 1,614 mm	Statistics Bureau (2013)
Population	127,298 (Thousand)		Statistics Bureau (2013)
Young Population (0-14)	16,390 (Thousand, 12.9%)		
Productive Population (15-64)	79,010 (Thousand, 62.1%)		
Elderly Population (Over 65)	31,898 (Thousand, 25.1%)		
# of Households and Ave.ppl/h.h	51,842 (Thousand) / 2.4 ppl		Statistics Bureau (2010)
Average Life Expectancy	Male: 80.2 / Female: 86.6		Statistics Bureau (2013)
Total Fertility Rate (*)	1.41		Statistics Bureau (2012)
GDP (Nominal GDP)	4,921 (USD Billion)		Cabinet Office (2013)
GDP per Capita	38.6 (USD Thousand)		Cabinet Office (2013)
Social Security Program	Annuity (Old-age / Survivor / Accidental), Health Care, Nursing Care		
Remarks	<ul style="list-style-type: none"> ▪ Recovering from 2011 Great East Japan Earthquake ▪ 2013-2014 Abenomics Economic Recovery ▪ The host city of 2020 Summer Olympic Games (<i>Omotenashi</i> -Hospitality) 		

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

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2013 LIFE INSURANCE INDUSTRY FAST FACTS

(Thousand Policies, US\$ Million)

(Policies, US\$)

Type	New Business		Policy In-Force		Average Policy per Person	
	# of Policies	S	# of Policies	S	# of Policies	S
Individual	14,405	657,933	143,881	8,332,108	1.1	65,316
Indiv. Annuity	1,470	77,472	20,478	1,008,441	0.2	7,905
Group	704	43,522	39,295	3,607,549	0.3	28,280

Criteria	FY2011	FY2012	FY2013
# of Life Insurers	43	43	43
Net Premium Income	349,579	360,868	337,525
Payment of Insurance Claim	299,289	307,867	328,203
Total Assets	3,176,766	3,352,100	3,406,360
Main Products	Whole Life, Medical, Term, Saving, Cancer		

Distribution Channel	Scale	Participation rate (Source: JILI)
Tied-Agents	228,878 people	50%
Life Office Counter	-	16%
Agencies	Banks N/A entities	3%
	Corporate 34,714 entities	9%
	Individual 56,938 entities	
Mail Order, Internet	# of Life Insurers 8 entities	6%
Working Office, Others	-	17%

*Calculated based on the exchange rate of JP¥102.92=US\$1 (2014.3.31TTM).

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Challenges of Japan's Life Insurance Industry

❑ Responding to Revised Insurance Law

Insurance law was revised to maintain the credibility of insurance – introduction of new duties of confirming customer intention, offering information in insurance sales, strengthening control of agencies.

❑ Responding to Abuse of Life Insurance System

To be fare 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 penetration rate of 90.5%, the average policies per household of 4.1 and the decreasing birthrate and aging society, Japan's life insurance market is 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.

❑ Shift to Expansion Line of Life Insurance Company

Since primary insurance sales are on horizontal line due to decreasing population, the shift to expansion line is indispensable by M&A of domestic/overseas life office, product planning/sales company and asset management company.