

Payment of claim/benefit

- Cases of payment by insurance professional

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Cases of claim payment

1. Payment of death benefit for individual insurance
2. Payment of permanent disability benefit for individual insurance
3. Payment of death benefit for corporate insurance

1. Payment of death benefit for individual insurance

- Protection at the time of contract:
 - Whole Life insurance of 80 million yen of death benefit as base policy
- A spouse and two children (a college student and an adult)
 - When the insurance was purchased, the family was at a time of large expenditures.
- **After the purchase, the policy once “lapsed”.**
 - The policyholder explained that he was “unable to pay the premium”, but as a result of persuasion the policy was reinstated.**

Eight years later, a sudden phone call from the insured

Disease: malignant lymphoma

One month after the call telling us he was not feeling well, he passed away.

At the preparation for a funeral, I, as a person in charge of his insurance, told the bereaved family why the insured purchased the insurance.

- The family was moved by the affection that the deceased entrusted to the insurance to support his children's healthy growth, his funeral expenses, the cost for the grave, his wife's living expenses etc.

Three years after the claim payment

Three years after the claim payment to the customer, I received an email from the bereaved family (the eldest son).

“Having seen how you responded to my father’s death, I decided to buy an insurance from you, Mr. Murata. I got married and am going to have a child, I would like you to take care of our insurance.”

Through the payment of death benefit

- Delivering the affection and reason why the customer purchased the insurance together with the insurance benefit will have important influence over the life of the bereaved family.
- “Delivering insurance benefits” will build “confidence” more than anything else.

2. Payment of permanent disability benefit for individual insurance

- Protection at the time of contract: :
Whole Life insurance of total 40 million yen of death benefit as base policy
- Family members: a spouse and three children (college and high school students)
- Policy taken over from a retired Life Planner

Immediately before my first visit as a person in charge, the wife of the insured phoned me saying “My husband fell ill in Morioka (500km north of Tokyo) on his business trip and hasn’t regained consciousness yet.”

Although the insured survived

- Subarachnoid hemorrhage
Total paralysis → requiring a long-term rehabilitation
- Strapped for cash due to housing loan for a single-family home, tuition fees for children etc.
- Asked the wife to claim for permanent disability benefit, but

Informed by the wife the difficulty to obtain a medical certificate stating “recovery is not expected”, I visited Morioka from Tokyo a number of times in an effort to persuade the attending physician.

Six months after being hospitalized for rehabilitation

At long last, received the medical certificate describing “recovery is unlikely” from the attending physician.

As a result, the insurance benefit of the group credit life insurance attached to all of the loans including the housing loan of the residence was paid and the loans were fully repaid.

The permanent disability benefit complemented the disability welfare pension, helping the family to plan for the payment of the tuition fees and living cost.

The company the eldest son selected to work

The family was impressed by how I have worked until the payment of the permanent disability benefit.

→ The eldest son had a job interview with Prudential, the company he had not known until we met.

By the presence of the person who manages “the exit of insurance”,

→ confidence is built through claim payment.

Exit of life insurance

Claim payment requires various skills/expertise including:

- In-depth knowledge about insurance products;
- Information and knowledge on hospitals and diseases to negotiate with an attending physician;
- Important points in claiming insurance benefits etc.

→ This needs to be communicated widely to the public.

Payment of death benefit for corporate insurance

- Protection at the time of contract:
 - Insurance period: 10 years; death benefit: 10 million yen
- The insured: Representative director of 2 companies
- Cause of death: sudden death due to brain-stem hemorrhage
- Detailed status of business is completely unknown.

Unable even to sort out the credits/debts

- Joint liability on guarantee of the loans to finance operations (the insured has jointly guaranteed the company's borrowings).
- The wife has not been involved in the husband's business at all.
- The liability needs to be recognized as inherited debts and be repaid in the liquidation process of the company.
- Not legally liable (to repay the investment) for the investors, but the debts were handled as the debts that need to be repaid.

Expenses for liquidating/clearing the company

- Expenses for liquidating/clearing the company
- Fees paid to tax accountant, judicial scrivener and lawyer

→All paid by the claim payment of 10 million yen

Able to settle the business after the insured's death without leaving distrust in the company and the bereaved.

Summary – significance of claim payment

1. Important to deliver the claim together with “the affection” of the insured
2. In that way, a great positive influence is given to the recipient of the claim
3. At the same time, we can earn his/her trust, which cannot be replaced by anything else.
4. Genuine process of insurance payment can only be taken care of by insurance professionals
5. “Claim payment” is the role of insurance; to make this happen, the insurance industry needs to take initiatives more positively and with sincerity.