



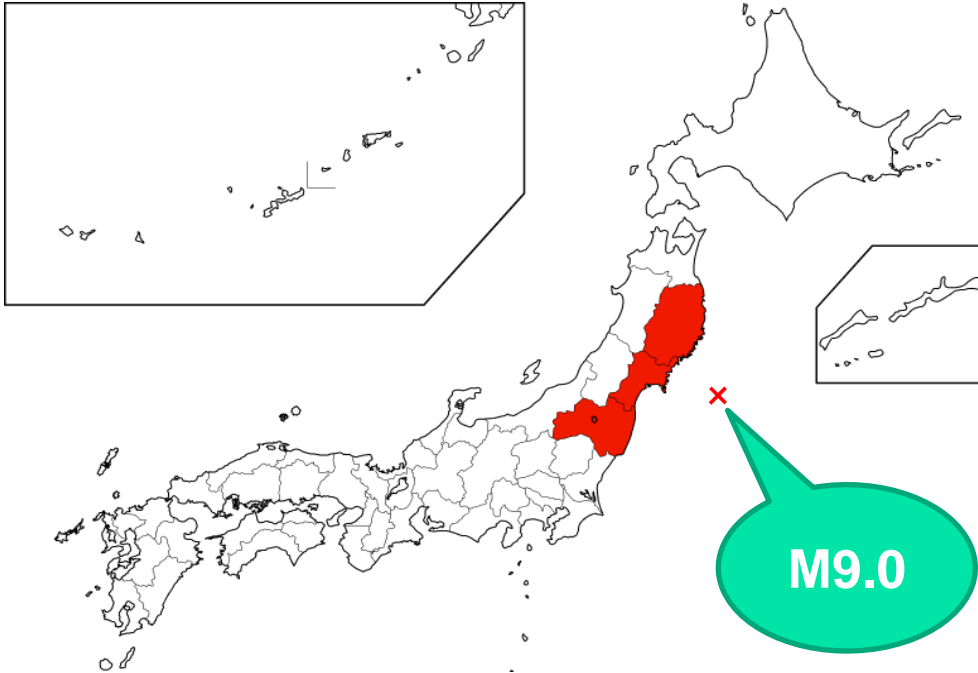
Insurance Industry's Response to the Great East Japan Earthquake

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1. Review of the Great East Japan Earthquake

Great East Japan Earthquake (March 11, 2011)



Damage

[As of Sep 26, 2012]

Dead	15,870
Missing	2,814

Source: National Police Agency

- Extensive damage (3 pref.)
- Severe damage by tsunami
⇒ Many missing
- Fukushima nuclear power plants

1. Review of the Great East Japan Earthquake

Significant Past Natural Catastrophes

(\$ billion)

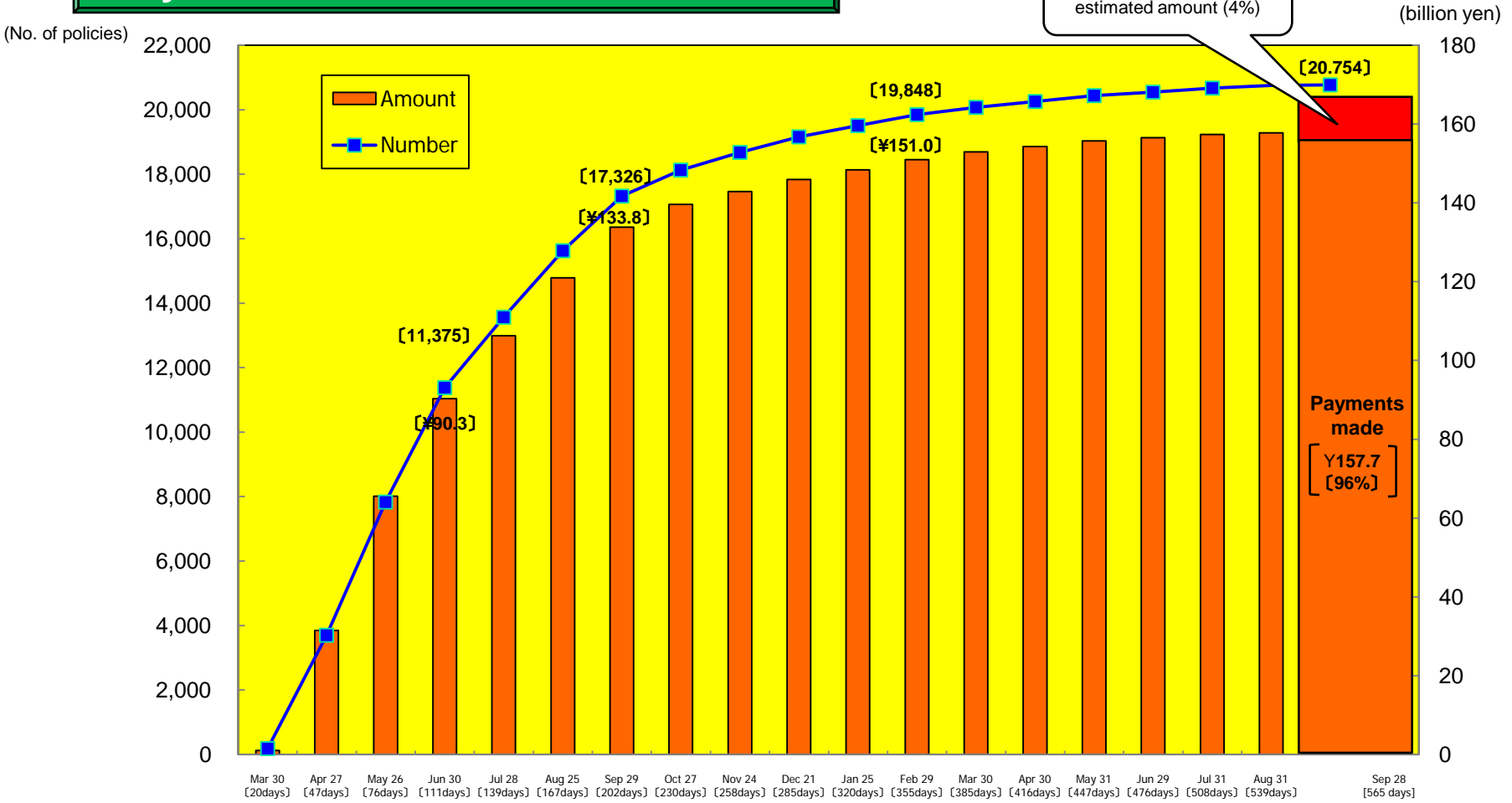
Disaster (year)	Losses	Fatalities
Great East Japan Earthquake (2011)	211	15,870 2,814 (Missing)
Haiti Earthquake (2010)	8	222,570
Sichuan Earthquake (2008)	85	84,000
Hurricane Katrina (2005)	125	1,322
Indian Ocean Earthquake (2004)	1	220,000
Chuetsu Earthquake (2004)	28	46
Izmit Earthquake (1999)	12	17,127
921 Earthquake (1999)	14	2,400
Great Hanshin Earthquake (1995)	100	6,430

Source: National Police Agency, Cabinet Office, Munich Re

2. Payment Situation under Life Insurance Contracts

◆ The total number and amount of payments in the Great East Japan Earthquake was 20,754 and ¥157.7 billion, respectively, as of August 31, 2012. The percentage of payment amounts already made to the estimated total payment amount (about ¥164.0 billion) is about 96%.

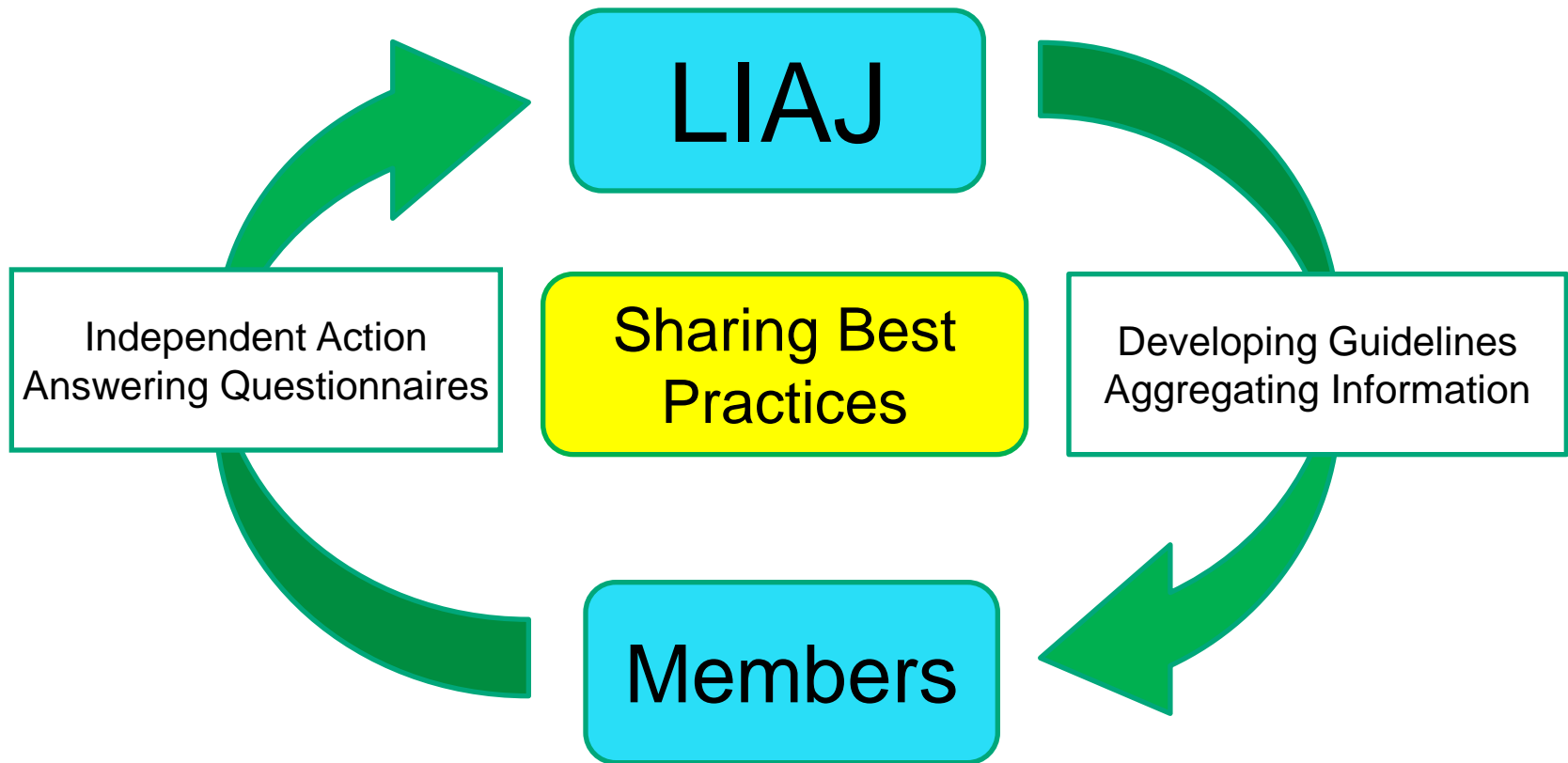
Payment Timeline for Life Insurance



※ [] is the number of days since the earthquake occurred.

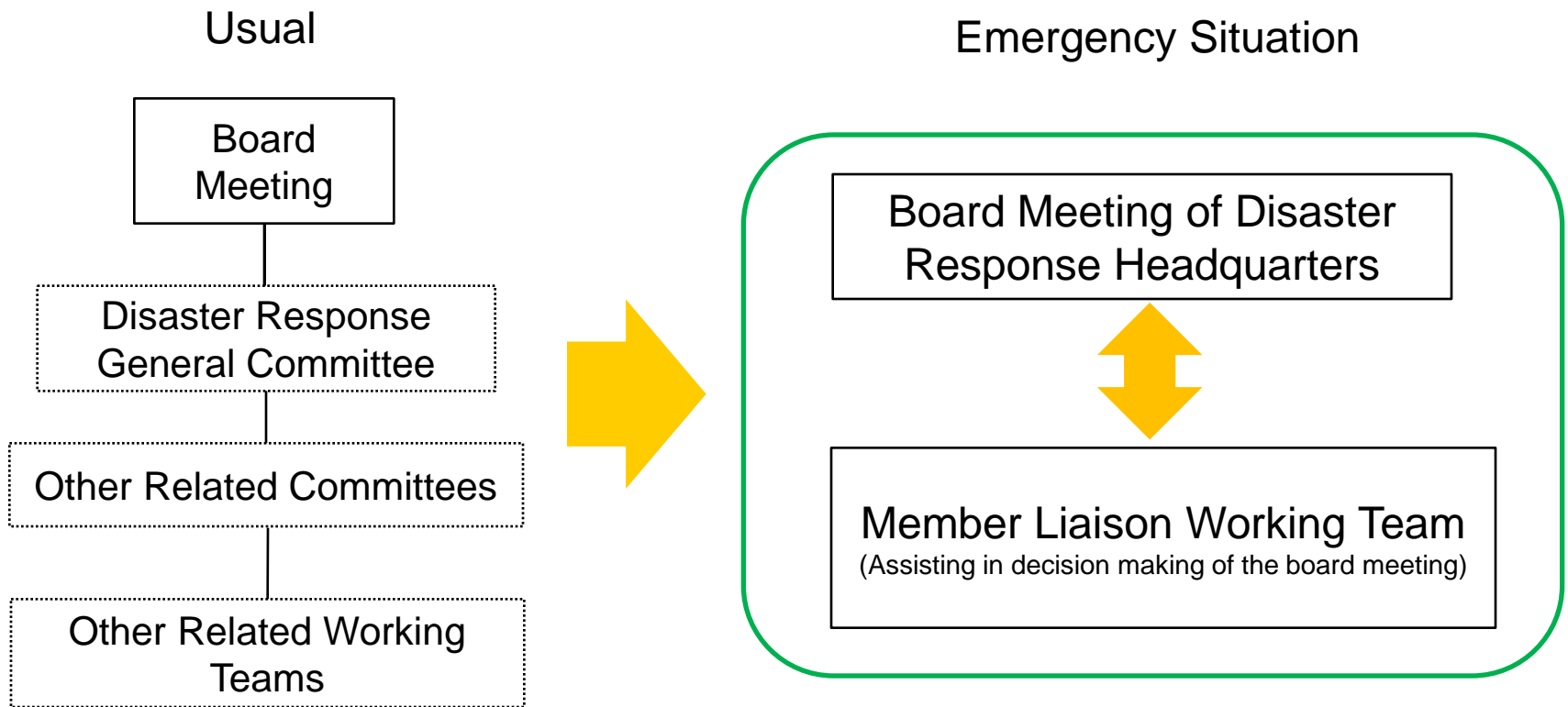
3. Disaster Response Headquarters and Its Basic Concept

LIAJ as the platform for the industry



3. Disaster Response Headquarters and Its Basic Concept

◆ The LIAJ established the Disaster Response Headquarters as soon as possible after the earthquake for the purpose of ensuring prompt decision making.



3. Disaster Response Headquarters and Its Basic Concept

◆ The Disaster Response Headquarters established the fundamental policy of “Taking action, giving the utmost consideration to the affected people to provide them with peace of mind as quickly as possible.” In line with the fundamental policy, the Headquarters takes appropriate action in accordance with each victim’s situation.

Fundamental Policy

Taking action, giving the utmost consideration to the affected people to provide them with peace of mind as quickly as possible

Pillar of Action

Initial motion: Providing livelihood support and emergency relief

Inquiries & claim procedures:
Consultations, queries, and procedures in line with the nature of the disaster

Safety confirmation of customers

Safety net to ensure payment of insurance benefits without fail

4. Our Major Actions after the Disaster

(1) Providing livelihood support and emergency relief

- ◆ The LIAJ and member companies offered financial assistance, material goods and physical aid to provide victims with livelihood support and emergency relief.

Life Support for the Disaster Areas

I. Financial Assistance

- ✓ Contributing donation
 - LIAJ (\$ 3.7 million)
 - Member companies (Total sum of \$25 million)

*Including donation as a group

II. Material Goods

- ✓ Dietary items
- ✓ Clothing
- ✓ Hygiene products
- ✓ Electric appliances, etc.

III. Physical Aid

- ✓ Sending backup staff from headquarters
- ✓ Establishing an office for earthquake disaster reconstruction at the affected areas
- ✓ Volunteer activities



Employees bringing relief supplies by truck

(The first truckload set off to the affected areas on the evening of March 11)

4. Our Major Actions after the Disaster

- ◆ In order to provide livelihood support for the victims who were concerned about insurance payouts and premium payments, the LAIJ and member companies took the following measures on life insurance contracts.

Measures on life insurance contracts

- I. Non-application of earthquake exclusion clauses
(Full payment of accident-related insurance benefits under accident riders)

- II. Extension of grace period for premium payments

In the Case of Monthly Payment of Premium

	Initial Responses (March 12, 2011~)	Additional Measures (April 27, 2011~)
Grace Period	Max. 6-month extension (to end of Sept. 2011 for premiums due Feb.–Aug. 2011)	Max. 9-month extension (to end of Dec. 2011 for premiums due Feb.–Nov. 2011)
Due date for grace- period premiums	End of Sept. 2011	End of Oct. 2012 (Provided that premiums are paid regularly from Jan. 2012 on)



4. Our Major Actions after the Disaster

III. Reduction or exemption of interest rates

- Special interest rates for policyholder loans
- Extension of payment deadlines, revised conditions for loans to businesses in the affected areas

IV. Simple and quick payment of insurance benefits

- Property carried away by the tsunami, evacuation with no belongings
- People without the necessary documents for insurance claims and procedures (Policy certificates, personal seals, etc.)
- Local government offices and hospitals struck by the disaster



- On Mar. 12, the LIAJ announced that its member companies would waive certain documentation requirements to facilitate and speed up the processing and payment of insurance claims.
- LIAJ developed guidelines for the payment of insurance claims and benefits

4. Our Major Actions after the Disaster

(2) Consultations, queries and procedures in line with the nature of the disaster

- ◆ The LIAJ and member companies established a system to handle customer queries using all possible tools, in consideration of the situation of affected areas where many of the victims were forced to live in evacuation centers.

Response to customer requests for consultation

- ✓ Receiving requests for consultation at call centers (member companies)
- ✓ Receiving requests for consultation at the Life Insurance Consultation Center and its corresponding local offices (LIAJ)
- ✓ Establishing temporary consultation centers at evacuation centers



Life Insurance Consultation Center

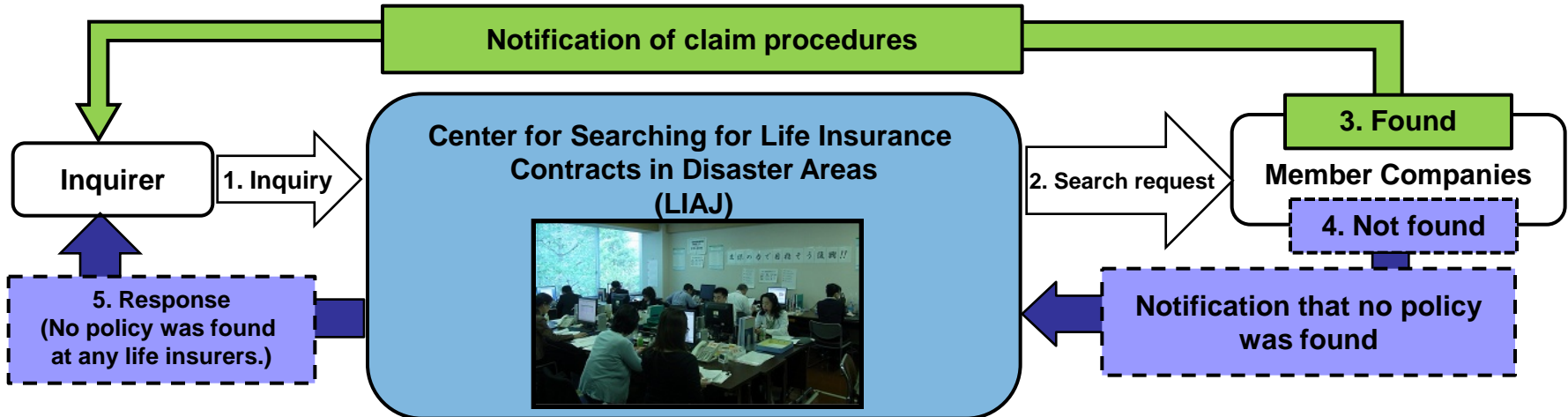


Temporary consultation center in affected areas

4. Our Major Actions after the Disaster

◆ The “Center for Searching for Life Insurance Contracts in Disaster Areas” was established on April 1, 2011, and all member companies are requested to investigate any relevant insurance contracts for people who have family members or relatives that are dead or missing due to the Great East Japan Earthquake and who do not have any evidence of their insurance contracts because their home was either washed away or burned down.

The System of Searching for Life Insurance Contracts in Disaster Areas



Center for Searching for Life Insurance Contracts in Disaster Areas

As of Sept. 30, 2012

		Persons subject to the inquiry system (Research conducted by member companies)		
			Found	Not Found
Number	6,508	4,117	2,391	
Ratio	100%	63.3%	36.7%	

4. Our Major Actions after the Disaster

(3) Safety confirmation of customers

◆ In order to ensure payment of insurance benefits without fail, safety confirmation of customers was conducted. The LIAJ facilitated information sharing among all member companies on best practices of safety confirmation to improve the level of safety confirmation at each member company.

Safety Confirmation

- ✓ Individual visits by approx. 26,000 tied sales agents in total
 - Although these tied sales agents were also victims of the disaster, they visited the customers' houses and the evacuation centers to confirm the safety of each customer and to provide information about the necessary procedures to be taken on life insurance contracts.
 - LIAJ also sent staff members to the affected areas.
- ✓ Outbound phone calls
 - 1.31 million calls in total
- ✓ E-mail, direct mailing
 - Sending 13.56 million pieces in total

The status of approx. 2.93 million customers (99.97%) was confirmed in 3 prefectures of the Tohoku area.



Safety confirmation by a tied sales agent

4. Our Major Actions after the Disaster



Safety confirmation by staff of member companies

Safety confirmation by outbound phone calls



Information Sharing on Best Practices of Safety Confirmation

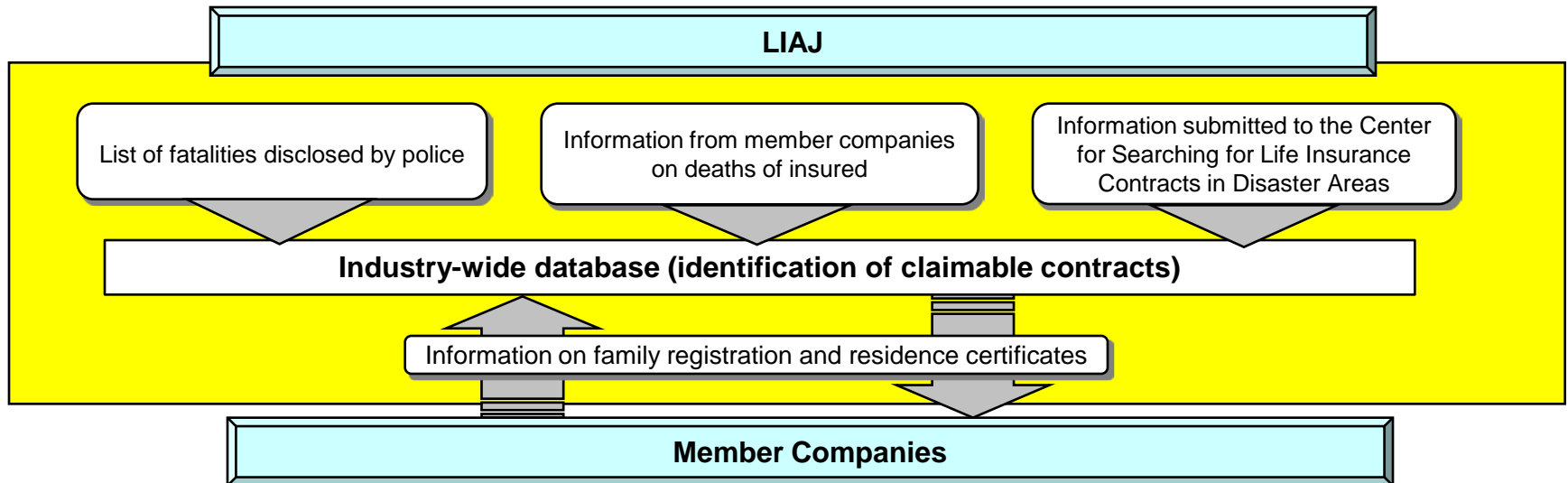
- ✓ Collection of each member company's progress on safety confirmation (Regular Questionnaires)
 1. Conducting questionnaires on the progress of safety confirmation
 2. Sharing information among all member companies on the progress of safety confirmation

4. Our Major Actions after the Disaster

(4) Safety net to ensure payment of insurance benefits without fail

- ◆ In order to ensure payment of insurance benefits without fail, the LIAJ established an industry-wide database for collection and sharing of information among member companies, which serves as a common platform for information.

Industry-Wide Database



4. Our Major Actions after the Disaster

- ◆ The LIAJ and member companies cooperated with the relevant ministries (e.g., local government offices) to ensure payment of insurance benefits.
- ◆ Member companies were able to access official family and resident registers, which made it possible to identify legal heirs succeeding to the rights of the designated beneficiary and to inform them promptly about the procedures for insurance claims.

Requests on Relevant Ministries

Our major requests accepted

1. Allowing life insurers to solicit disclosure of family and resident registers from local government offices
2. Simplifying the procedures for issuing death notification for missing people

* In addition, reissuing certain certificates necessary for the identification confirmation process (e.g., driver's license).

1. Request for Disclosure of Family and Resident Registers

- In the case of the death of a designated beneficiary of the policy, the insurer should identify the legal heirs succeeding to the rights of the designated beneficiary.
- In order to identify the legal heirs, the insurer needs to check certain information based on family and resident registers.
- These documents are to be submitted by the customers not by the insurers, in principle, but the customers affected by the earthquake had difficulty doing this promptly.

The LIAJ requested that the government allow life insurers to solicit disclosure of family and residence registers from local government offices.

- The request for access to family registers by life insurers was accepted.
- The request for access to a copy of residence registers by life insurers was accepted.

Member companies were able to promptly inform the legal heirs about the procedures for insurance claims

4. Our Major Actions after the Disaster

2. Request for Simplification of the Procedures for Issuing Death Notification for the Missing

- In this disaster, a great number of people went missing due to the devastating tsunami.
- In order to pay out insurance benefits for the missing insured, the insured's death should be certified.
- However, early payment of insurance benefits cannot be made because the death notification requires a period of at least one year before being issued for the missing.

The LIAJ requested that the government grant special treatment on the procedures for handling death notification.

Ministry of Justice (MOJ)

- ✓ Allow simple treatment on procedures for death notification under the Family Registration Act, Art. 86, para.3
 - ⇒ Shorten the period required on procedures for handling of death certificates to only about 3 months
 - ⇒ Simplify the documentation required to certify the death of a person (e.g., death certificate)

LIAJ

- ✓ Consider the best way to improve the procedures for payment of insurance benefits in line with the treatment for the missing as determined by MOJ
- ✓ Establish a special working group on the treatment for missing people
- ✓ Conduct research on each local government office's progress on the acceptance of death notification

Statistics of National Police Agency (As of Aug. 29, 2012)	
Number of missing	2,814

Payment of insurance benefits for the missing (As of Aug. 31, 2012)
Number 3,697 ¥2.74 billion



At the local government offices for the research

4. Our Major Actions after the Disaster

◆ To ensure proper payment of insurance benefits for minors who lost both of their parents because of the disaster, the LIAJ established an information-exchange network that is operated by local bar associations and the LIAJ (including member companies).

Life Insurance Support Network for the Disaster Orphans

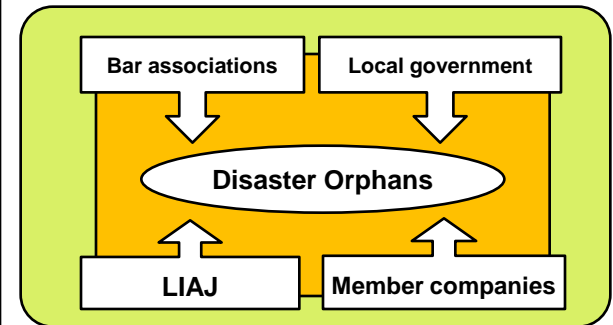
- Several requirements must be met for disaster orphans to receive insurance benefits as beneficiaries, such as the selection of guardians, etc.
- For the prompt selection of guardians, support from the parties concerned (e.g., bar associations) is beneficial.

- Establishment of an information-exchange network among local bar associations, local government bodies and LIAJ (including member companies)
- Introduction of bar associations, etc., when receiving inquiries on procedures for insurance claims, such as the selection of guardians.

Results of the Network (As of Sept. 14, 2012)

Number of Disaster Orphans	241
Number of cases where the introduction of bar associations was conducted through the network	34
Number of contracts for which the beneficiaries were minor orphans	249
Number of insurance payments	222

Image of the Network



Members of the Network

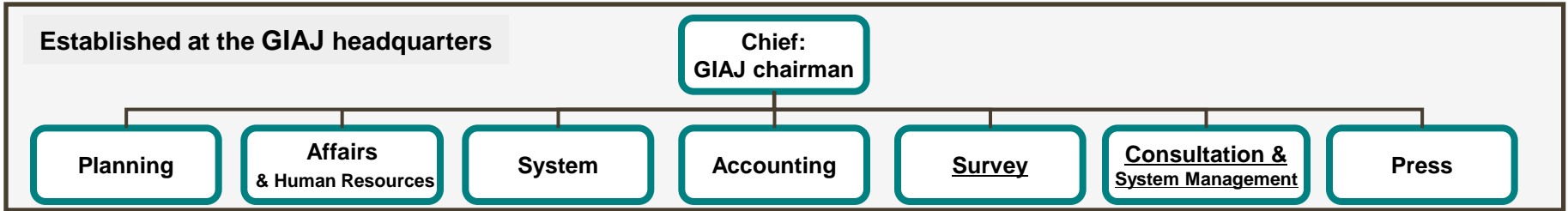
- Life Insurance Association of Japan
- Member companies of LIAJ
- Iwate Prefecture
- Fukushima Central Child Consultation Center
- Iwate Bar Association
- Sendai Bar Association
- Fukushima Bar Association

(As of Sept. 1, 2012)

5. Major Actions of Non-Life Insurance Industry after the Disaster (1)

Prompt Payment to Affected People

Central Command



Following specific measures

✓ Clarifying by photography (aerial/satellite)

Total Loss Area

Individual surveys were not required

KOKUSAI KOGYO Co., Ltd.

✓ Active suggestions / encouragement for filing insurance claims

- Visiting evacuation centers
- Encouraging beneficiaries

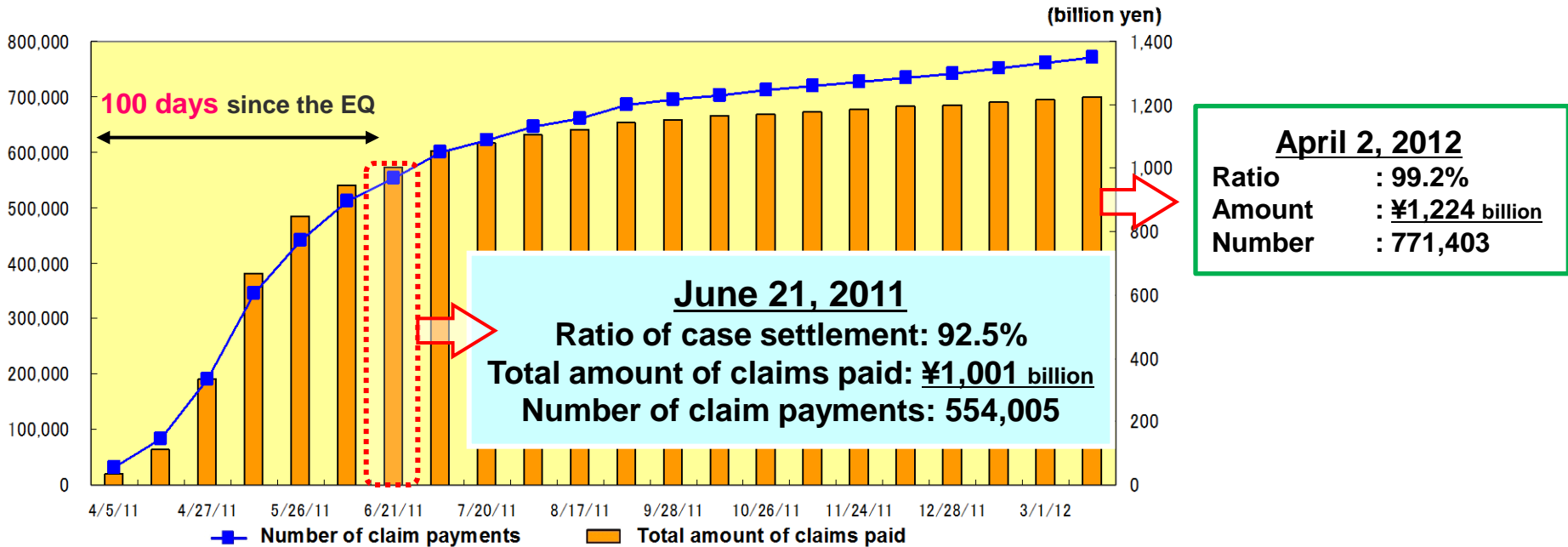
More than 20% of the recipients filed claims after being approached by insurers and agents

(Survey by an external organization as of Nov. 2011, N = 800)

5. Major Actions of Non-Life Insurance Industry after the Disaster (2)

Prompt Payment to Affected People

1. Payment Timeline for Earthquake Insurance on Dwelling Risks



2. Incurred losses in other lines of business: approximately 600 billion JPY (estimated)

Source: The General Insurance Association of Japan

6. Commendation for Disaster Response Actions

2012 State Minister's Commendation for Contributors to Consumer Support

- ✓ LIAJ received the 2012 State Minister's commendation for contributors to consumer support, which is based on the commendation program under the authority of the Consumer Affairs Agency.
- ✓ We believe that LIAJ's responses to the Great East Japan Earthquake were highly appreciated, including the implementation of special-treatment insurance claims and premium payments; establishment of the Center for Searching for Life Insurance Contracts in Disaster Areas; information-sharing among member companies; and our requests on relevant ministries.



At the awards ceremony

- * This program, which was established in 1985, presents commendations to those active in the protection and enhancement of consumer interest in various fields. Since the setting up of the Consumer Affairs Agency, the program has been upgraded such as by establishing the Prime Minister's Commendations. Not only individuals but also various consumer organizations and groups playing a key role in the New Public Sector have received the commendations.



7. Our Major Tasks for the Future (1)

Completion of the Payment of Insurance Benefits

- ✓ While we estimate that the total amount of payments will be about ¥164 billion, the amount of payments actually made by life insurers under life insurance contracts reached ¥158.17 billion as of September 28, 2012.
- ✓ We will complete the payment of the remaining ¥59 billion of insurance benefits for all customers with due consideration to their circumstances and feelings.

Payments under Life Insurance Contracts in the Great East Japan Earthquake

- Estimated total amount of payments (as of the end of June 2012) : Approx. ¥164 billion
- Amount of payments made as of September 28, 2012 : ¥158.17 billion (96.8% of the total estimated amount)

Maintaining the System of Searching for Life Insurance Contracts in Disaster Areas

- ✓ We extended the scope of this system to include other disasters in addition to the Great East Japan Earthquake. (March 26, 2012)

Outline

- Scope: Persons who have lost the evidence of their insurance contracts because their home was either washed away or burned down due to a disaster in an area where the Disaster Relief Act was applied.
- Contact: The Life Insurance Association of Japan
- Service: Requesting all member companies to investigate any relevant insurance contracts for people who have family members or relatives that are dead or missing.

7. Our Major Tasks for the Future (2)

Reinforcement of the System to Ensure Prompt Payment of Insurance Benefits without Fail

✓ Utilization of the 'My Number System'

- The government is presently considering the introduction of 'My Number System' in January 2015, which allows financial institutions to utilize 'My Number' (ID number) of their customers to the extent necessary for the payment of insurance benefits when a serious disaster occurs.
- We request that the utilization of 'My Number System' be allowed even under ordinary conditions, as well as considering the most effective way to utilize 'My Number' in serious disasters.

There are certain expected merits for customers, administrative authorities and life insurers:

- In disasters: Sharing of information on a national network to ensure payment of insurance benefits for the victims
- In ordinary conditions: Sharing of information on a national network to ensure prompt payment of insurance benefits
(Simplifying the procedures for confirming the survival of insured of whole-life annuities)
Sharing of information on a national network to compile and update the records of policyholders

Support for Post-Quake Reconstruction and for Rebuilding Victims' Lives

✓ Taking necessary measures continuously for the post-quake reconstruction and for rebuilding victims' lives as a life insurance industry as a whole.

- Through 26 local offices of LIAJ, 30 cars for welfare service were donated to 23 social welfare councils by using donations of ¥26.64 million collected from the staff of member companies.
- This year, LIAJ donated ¥3 million to 'Shoubou Ikueikai' (Fire Scholarship Foundation), which was founded for the purpose of offering scholarships to students whose parent was a firefighter and died or became physically challenged due to a work-related accident. LIAJ plans to donate about 3 to 4 million yen to the Foundation in 2013 and 2014 as well.

Educational Activities on the Purpose and Importance of Life Insurance

- ✓ LIAJ is conducting additional educational activities through certain channels such as mass-media so that people can gain a better understanding of the purpose and importance of life insurance.