

## OLIS 2010 Spring – Seminar Report

Thursday, June 17

Overview of Life Insurance Business (Ichiro Kimura, OLICD Center)

Mr. Kimura talked about the current status and transitions of Japan's life insurance business. He introduced the scale of Japan's life insurance industry and explained the trends in major products, asset distribution, etc., out of marketing and investment aspects. Then, he talked about demographic changes that affect the operations of life insurance companies. Finally, he spoke about major events that occurred in Japan's life insurance industry.

Japan's life business achieved remarkable growth during the 1970s and 1980s. Japan attained the high economic growth from the 1960s through the early 1970s during which the middle class was formed. The formation of middle class is a key factor for the penetration of life insurance.

Angus Maddison, Dutch economist, has projected GDP per capita of major countries in 2030. High economic growth is projected for Asian countries.

Major products shifted from protection-oriented products to annuities and medical insurance with the trends to fewer children and aging population. Due to aging population the social security benefit expenditures for public medical insurance system and pension system have been increasing. Life companies are expected to assume heavy responsibility.

Mr. Kimura talked about mutual entry of life and nonlife companies, failure of small/medium life companies, debacle of unpaid claims and trends in bancassurance as major events in the industry. Not a few participants asked a question about bancassurance and it suggested their significant interest in bancassurance.