

OLIS 2010 Spring – Seminar Report

Friday, June 18

The Latest Trend of Sales Channel (Kenichi Suzuki, Hoken Joho)

Mr. Suzuki talked about the latest trends of sales channels such as field agents, insurance shop, bancassurance, Internet, DM, agencies, etc., in Japan's life insurance market where structural changes are underway.

Along with the trends to aging population customers' needs for annuities, medical insurance and nursing care insurance have been increasing, while the market for protection-oriented products has been shrinking due to decrease in the working population, etc.

Out of the sales channels the proportion of sales agents has been on the downward trends. The number of sales agents registered 440,000 in 1990 and has reduced by half. On the other side of the coin, the proportion of bancassurance, insurance shop, DM, etc. has steadily increased.

After Lehman shock in 2008 the guarantee of the principal of variable annuities became a heavy burden to life insurance companies. Although several companies stopped the sales of variable annuities, bancassurance is still expected as a promising sales channel for savings-oriented products.

Participants asked a question about the trends in bancassurance, why DM has increased, average premium of Internet policies, etc. Mr. Suzuki mentioned that medical insurance has sold through DM that curtails new business expense.