

# AAJI-OLIS Life Insurance Seminar 2018

*InsurTech Growing At a Rapid Pace*

*~ How will it Change our Future?*

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# Profile

## Kenichi Suzuki

Managing Editor of the Editorial and Sales Department of Hoken Joho, a specialized insurance marketing newspaper.

Hoken Joho features a wide variety of information, such as management strategies, marketing strategies, education systems, sales skills/motivational enhancement/guidance on activities for sales representatives, and the latest trends in foreign countries.

<Interview themes after the 1990s are as follows:>

- ☆ A series of bankruptcies of life insurance companies that had happened since 1997 (such as 7 medium-sized life insurance companies)
- ☆ Easing of regulations/liberalization (such as reciprocal extension of life and non-life insurance businesses)
- ☆ The non-payment of insurance claims after 2003 and the management innovation afterwards
- ☆ The moves of the online life insurance companies
- ☆ The moves of the insurance shops which have been rapidly expanding as a new channel
- ☆ Major life insurance companies' new management strategies (asset management, overseas business expansion, the utilization of AI/big data, etc.)

He has a broad network in the insurance industry and presides over Society for Research on Insurance Marketing, etc.

He has given lectures at seminars in Japan and abroad held by Oriental Life Insurance Cultural Development Center (OLIS).

Such overseas seminars include Taipei, Beijing, Seoul, and Bangkok.

# **< Overview of Life Insurance Market in Japan >**

# Trend of individual Insurance policies (1)

(The Life Insurance Association of Japan, FY2016)

[New policies]

Number: 19.3 million (down 2.9% y-o-y)

Amount: 68,478.9 billion yen (down 1.8% y-o-y)

[Number of policies by product type]

Medical life insurance: 3.55 million

Whole life insurance: 3.51 million

Term insurance: 2.16 million

Cancer insurance: 2.08 million

Endowment insurance: 1.38 million

# Trend of individual Insurance policies (2)

(The Life Insurance Association of Japan, FY2016)

[Policies-in-force]

Number: 167.72 million (up 4.8%)

Amount: 862,905.2 billion yen (up 0.5%)

The number of policies increased for nine consecutive years, while the amount continued to increase from the previous fiscal year.

[Number of policies by type]

Whole life insurance: 36.59 million

Medical life insurance: 35.29 million

Cancer insurance: 23.90 million

Term insurance: 21.19 million

Endowment insurance: 13.89 million

# Trend of individual Insurance policies (3)

(The Life Insurance Association of Japan, FY2016)

Annual insurance premiums paid per household: 385,000 yen on average

- (1) 120,000 yen ~ below 240,000 yen: 19.0%
- (2) Below 120,000 yen and 240,000 yen ~ below 360,000 yen:  
15.9% respectively
- (3) 360,000 yen ~ below 480,000 yen: 10.5%

# Changes by period

- 1960s~ Captive Agents (Nippon Life, Dai-ichi Life, Meiji Yasuda Life, Sumitomo Life, etc.)
- 1970s~ Life planner (Sony Life, Prudential Life, etc.)
- 1997~ Cross-selling of life insurance products by non-life insurance agencies
- 2000~ Insurance shops (Hoken no Madoguchi, Hoken Clinic, etc.)
- 2002~ Bancassurance
- 2008~ Online life insurance companies (Lifenet Insurance, AXA Direct, etc.)



# Captive agent channel

- Focus on personal relationship
- Consulting skills (necessary to obtain up-to-date information on the social security system, tax, and medical area as related knowledge)
- Emotional value (respond to customers with a sense of hospitality)
- Check the details of policy once a year
- Five-year human resource development system

# Check the details of policy once a year



Started due to the non-payment of insurance claims in 2005 through 2006.  
Visit policyholders at least once a year.

Confirm the details of policy or if there is an incident entitled to insurance claims.

Review existing policies for additional contracts.

Expand new markets by asking for referrals of clients' acquaintances or friends.

# Bancassurance (1)

- Responding to asset building needs of affluent customers (over 60s) with single premium policies.
- From October 2016, banks started to disclose commission concerning single premium.  
Behind this is promotion of “Fiduciary Duty” (customer-oriented business conduct).

## **Bancassurance (2)**

<Impact of ultra-low interest rates>

Premium income decreased significantly due largely to the suspension of the sale of yen-denominated single premium whole life insurance.

Dropped sharply from 6 trillion yen in FY2015 to around 4 trillion yen in FY2016 (April 2016–March 2017).

Shifted to focus on the sale of non-yen denominated products from FY2017.







# Insurance Shop: Equation of the sales

- Commission per policy x The number of customers who visited the shop  
x The contract rate
- It takes 13 to 18 months to be profitable on a monthly basis.
- It takes 36 months for accumulated losses to be wiped out.

# Insurance Shop: “Three Ps” are key points

Out of “Seven Ps” of marketing, the following “Three Ps” are key points.

1. Promotion (advertising, promotion)
2. People (development of human resources with high productivity)
3. Process (consultation process)



# Insurance Shop: Creating lifetime customers

Providing customer services and consultation as insurance professionals



Customer satisfaction will increase.



New prospective customers will be introduced mainly through word-of-mouth.



Existing policyholders will make additional purchase. (be repeat customers)



Chosen as the main insurance agency by households.



Customers become lifetime customers.

# < Overview of InsurTech >

# Characteristics of on-demand insurance

Coverage only when needed, such as for only a limited time, which is purchased through smartphone app

Easy procedures; payment of unnecessary premiums is not required

Expansion from overseas travel accident insurance to other types of insurance

# **The # of One-day Insurance policies reached three million**

24-hour Units Auto Insurance offered by Mitsui Sumitomo Insurance Co.

Released in October 2015; the policy count reached 3 million as of April 2018.

Needs: “drive a car borrowed from a friend or parent” in relation to leisure or travels

Purchased in 24-hour unit with the minimum premium of 500 yen.

70 percent of the users are 29 years old or younger.

# Problems with on-demand insurance

How to attract new customers?

Can accumulated data open up new markets?

Existing insurance business may be downsized.

# Problems with on-demand insurance

Easy procedures without face-to-face contact



- A higher risk of moral hazard, compared to face-to-face solicitation
- Difficulty of identification confirmation and measures against moral hazard
- Costs for the measures for the above are limited.



# Life insurance or medical insurance using wearable devices

Have the insured wear a device.

Information on health conditions of the insured, such as the number of steps, pulse rate, or blood pressure, is collected through such wearable device.

Insurance premium is decided based on the level of activities concerning the insured.



# Advantages of health promotion insurance

Insurance premiums are refunded when the average number of steps per day has reached a certain level.

## <Policyholders>

Efforts for health promotion activities are rewarded visually with the refund of the premiums.

Because of the game characteristic, policyholders are encouraged to continue health promotion activities.

## <Insurance companies>

Obtain data on the health condition of each policyholder.

The collected data might lead to the development of a new product.

# Problems with health promotion insurance

A person other than the insured is involved in the increase in the number of steps.

The wearable device is placed on a pet.

Use an exercise belt machine in a training gym.

<Measures for preventing the above>

Increase the precision of the device so that cheating can be prevented.

Prepare for the malfunction or failure of the device itself.

# Challenges for insurance business ①

<Enhancement of risk management>

Identification confirmation, moral hazard

Protection/management of personal information

Measures for cyber risk

Measures for function failures on the platform

# Protection/management of personal information

Minimize the link between an individual and the related data.

Prevent the leakage of personal information due to a malfunction or failure of the device or hacking.



The leakage of personal information will cause significant damage to both the individual and the company.

# Challenges for insurance business②

<Development costs that place a large burden on insurers>  
Does this lead to the creation of needs for new coverage?

Is it possible to explore a new market and establish a sustainable business model?

Tailor-made insurance is an advantage for customers, but is this the case for insurers as well?

# Virtuous circle of the InsurTech model

Provision of new products/services



Obtain new information through such provision



Store it as big data and further analyze it



Discovery of new coverage needs

How should this product development cycle be implemented?

It is also important to check cost performance.

# **<Responses by the insurance regulatory authority>**

# FSA's attitudes

Take a positive approach and work on it with a perspective of how approval can be obtained.

“Want InsurTech products to be successful.”



# FinTech Support Desk

Set up in December 2015

Provides a one-stop service for inquiries for finance-related regulations or necessary procedures.

Basically, reply is made within four business days from the date when such inquiry is received.

# FinTech Experiment Hub

Set up in September 2017

A developed version of FinTech Support Desk

A team set up within the FSA provides support on an ongoing basis.

When necessary, it is possible to involve other ministries and agencies.

# Challenges associated with the examination for InsurTech products ①

As there are no precedents or laws, regulations or interpretation applicable only for these products, ongoing improvement is necessary.

On the other hand, since there are unknown risks or adverse effects, difficult decisions are always required.

# **Challenges associated with the examination for InsurTech products ②**

Accumulation of basic data (insurance premium rate, policy reserve) or the related theories are still in the process of being developed.

If approval is not given until theories or data is fully prepared, the development will be hindered.

Consider cooperatively through a two-way dialogue, from the perspectives of customer protection, financial soundness, and risk management.

# Reform engaged in by FSA①

The FSA has been conducting an inspection based on the inspection manual since 2000.

This inspection is to check for systems concerning internal management and compliance with laws and regulations.

The framework of this inspection manual can hinder smooth discussion.

## **Reform engaged in by FSA②**

The FSA announced the basic inspection/supervisory policies in December 2017.

The inspection manual will be abolished after April 2019.

Matters such as an organizational reform within the FSA will be conducted.

If there are better rules than those of the inspection manual, the FSA will prepare for an environment where those rules are easily adopted.

# < Dai-ichi Life “InsurTech” >

# Strategic challenges to be addressed with top priority

InsurTech refers to initiatives to promote innovation unique to life insurance business through both aspects of insurance business (Insurance) and technologies (Technology).

In December 2016, InsurTech Innovation Team was set up within the Group Management Division.

The members consist of around 30 managers from 15 divisions such as sales, products, system, asset management, overseas, and underwriting.



# Areas to be considered

1. Healthcare
2. Underwriting
3. Marketing

# Healthcare

Introduction of healthcare/medical ICT technologies, the utilization of analysis of medical big data, etc.

Development of products based on more detailed risk segmentation

Provision of products/services that can contribute to the “Extension of Healthy Life Expectancy”

# Underwriting

Aim at

- expediting paperwork and improving convenience while considering the utilization of AI, etc. in operations such as underwriting assessment /policy management.
- establishing a system that allows an easy purchase, through the simplification of examination/disclosure items based on the analysis of medical big data.

# Marketing

Analyze big data accumulated within the company and provide policyholders with products/services that are best for them at the best time.

# **Implementation of the new medium-term management plan “Connect 2020” (plan for FY 2018 – 2020)**

Pursue products/services/channels that can contribute to “the improvement of the quality of life most suitable for each individual”.

“Taking up more challenges to create new value, in addition to taking advantage of changes in the surrounding environment and gradually introducing cutting-edge technologies in domestic and overseas operations”

# Major efforts for creating innovation

1. Improvement of convenience/productivity through the utilization of cutting-edge technologies
2. Expand range of customers and provide new products/services through analysis/utilization of medical big data.
3. Promote the creation of innovation to develop new markets/competitive forces.

# Improvement of convenience/productivity through the utilization of cutting-edge technologies (1)

<Digitalization of the customer interface>

1. Improvement in functions of portable tablets
2. Adoption of various procedures via smartphones
3. Unmanned services/inquiry handling utilizing chatbot

# Improvement of convenience/productivity through the utilization of cutting-edge technologies (2)

<Automation of administrative operations>

1. A massive rollout of RPA (Robotic Process Automation)
2. A digitalization of handwriting by AI
3. Business process management



# **Dai-ichi Life Innovation Lab**

Set up in Tokyo and Silicon Valley in the U.S. in April 2018.

Increased the number of staff from 40 to 60.

# “JUST”, a product which stresses the improvement in QOL

<The industry’s first product to introduce "Health Check-up Discount">  
A customer can enjoy a discount on premiums by submitting a health certificate when taking out a policy.

Those who get health check-ups has a lower claim rate than those who don't.

Specifically, the rate of insurance claim due to three major diseases is 10 percent lower; while the rate due to a death is 30 percent lower.

The product was developed based on the company’s internal claim payment data.

# “JUST”, a product which stresses the improvement in QOL

<Health check-up rate>

In terms of the whole age group, it was 68%. That of males in their 40s and 50s was 80% while that of self-employed individuals and housewives was 57% and 55% respectively.

By stressing the importance of health check-ups, improve the health check-up rate.



This will lead to an enhancement of the QOL of each individual.

# Performance of “JUST”

Sold 100,000 policies in one month from the launch, the fastest pace ever.

The attachment rate of Health Check-up Discount is about 80 percent; about 40 percent of which is from new policies and about 60 percent is from conversion from existing contracts.

# Education on “JUST” for captive agents

Make them understand the product characteristic that it will widely support people who work on health promotion.

Eventually instill in them a sense of mission that they are providing this product to have customers understand the importance of health check-ups.

Work together with all 47 prefectures based on the comprehensive cooperation agreement with local governments.

# Analysis/utilization of medical big data①

<Neo First Life, a subsidiary>

Concluded “Basic Agreement concerning the Joint Development of Life Insurance Products” with Japan Medical Data Center (JMDC).

Launched a whole life medical insurance “Neo de Iryo” in August 2015.

Applied, for the first time in the industry, a non-smoker discount to whole life medical insurance products, based on the analysis of medical big data.

Launched “Neo de Iryo: Health Promote” in March 2016.

If an individual keeps his/her good health for five years, he/she can enjoy discount on premiums thereafter, which is the first attempt in the industry.

# Analysis/utilization of medical big data②

<Hitachi, Ltd.>

In September 2016, started a collaborative research on the utilization of medical big data in life insurance business.

Has been working on the following, aiming to enhance the insurance underwriting function.

1. Expansion of the scope of underwriting
2. Application to product/service development
3. Research on the utilization of cutting-edge analysis technologies

# Analysis/utilization of medical big data③

## < Results >

Review of the underwriting criteria increased the number of new policies to approx.12,000 in a year.

This accounts for approx. 1% of the number of new policies at Dai-ichi Life.



# **“Gokanyu Meyasu Navi (entry estimate navigation)”**

When items of health concerns are entered, information on the products available to the prospective customer based on his/her current physical conditions will be presented promptly.

In the formal application process, judgement on whether customers may enter into insurance contracts and underwriting conditions are presented after the necessary disclosure or examination, based on the type of products or the price.

The Navi is installed on the portable devices of captive agents, which is the industry's first attempt.

# RPA (1)

RPA is the abbreviation for Robotic Process Automation.

- (1) RPA does the PC work for people.
- (2) Can handle multiple computer applications.
- (3) Operates around the clock.
- (4) Mass processing with no mistakes

## RPA (2)

Starting from October 2017, RPA has been introduced for the company-wide operations.

Stepped up efforts towards the automation and improvement in efficiency of routine operations.

<Application of RPA (example)>

- (1) Payment assessment related work (clerical underwriting field)
- (2) Preparation of documents for corporate analysis/risk monitoring (asset management field)
- (3) Preparation of internal management documents such as performance report (various fields)

# **Improvement of convenience/productivity through the utilization of cutting-edge technologies**

<Digitized procedures>

Aim at changing the current paper-based 3 million cases of procedures into “digital-based cases of 1.97 million and paper-based ones of 1.03 million” by 2020, and achieve digital-based 2.55 million cases by 2022, which means that digitized procedures accounts for 85% of the whole procedures.

The application of RPA will expand from the current 80 operations, to the 2,000 operations by 2020 and to the 3,000 operations by 2022. |

# **Improvement of convenience/productivity through the utilization of cutting-edge technologies**

The improvement in productivity due to RPA will shift  
“operation by 2,100 employees”



to “growth areas inside and outside the country in next 5 years”

# Digital marketing solutions

Realize the one to one marketing.

For example, analyze an existing customer's areas of interest using his/her web browsing history and store the results of such analysis as information concerning him/her.

Automatically provide each policyholder with contents of his/her interest, including emails with the information of such interest.

A speedy sharing of such browsing history with sales representatives will enable the best suggestions/approach.

# Real time chat service (1)

<Improvement of the quality of communication in the non-face-to-face channel>

Introduced a real time chat service on the website.

The Contact Center is in charge of the service, starting from November 2016.

This is the first attempt for a major life insurer.

## **Real time chat service (2)**

Initially, the introductory page was about “Request for brochures”, directing users to the screen where the words “Do you need any help in finding the brochures you need?” are indicated.

Accessible not only from PC but also from smartphone.

Now planning to add links to the pages for procedures concerning existing policies, etc.



## Real time chat service (3)

<Benefits the Contact Center will bring>

Correspondence histories can be accumulated in the form of texts.

Based on the results of analysis of responses in the past, it is possible to provide operators with appropriate answers to inquiries.

One operator can respond to several inquiries at the same time as he/she can communicate with a maximum of five people at one time.

# **KENKO-DAIICHI (health first) promotion**

Started in April 2017, with the theme "Live Healthy, Lead a Happy Life".

Divide one year to April 2018 into three phases and provide services for health promotion.

Support improvement in BMI (Body Mass Index).

KENKO-DAIICHI (health first), a smartphone app, is available to the public for free.

# Advantages of a smartphone app “KENKO-DAIICHI”

The first app in Japan that uses the face AI (aging diet simulation) function

1. Can measure steps/BMI (Body Mass Index).
2. Can exchange for coupons depending on the step record.

# Upgrading of KENKO-DAIICHI

Contents were significantly upgraded in October 2017.

1. Automatically determine a person's "health age" and "health type".
2. Have a function to predict how people will look as they age.
3. Introduces healthy recipes under collaboration with TANITA corporation/FiNC.
4. Quickly measure the calorie content of diet.
5. Have a function to prevent from forgetting to take medicine.

Provide not only the functions to encourage a healthy lifestyle in people's everyday lives but also contents to check for improvement in their health conditions.

# Further Upgrading of KENKO-DAIICHI

Started providing a new service from March 2018, in line with the release of “Just”.

<Check of disease risks>

Visualization of the risk of occurrence of cancer, stroke, myocardial infarction, and diabetes

<Provision of recipes for improvement in lifestyle based on past illnesses>

Diabetes, heart disease, hypertension, stroke, renal failure, and cirrhosis, etc.

# Eco system for KENKO-DAIICHI

<Developed with partner companies>

Collect, analyze, and utilize the information on cutting-edge technologies widely and timely.

Under the theme of “Improving Customers’ Health Conditions”, 24 companies are cooperating.

(Accenture, NTT Data, Techfirm Inc., Tec Power Corp., Panasonic System Solutions Japan Co. Ltd., Dentsu Inc., and Microsoft Japan Co. Ltd., etc.)

# <Sumitomo Life “Vitality Program”>

# Discovery's Vitality Program

Started from 1997; currently, there are approx. 7.50 million insured members from at least 10 countries.

Global developments:

Expanded to United Kingdom in 2004, then to China in 2009, Singapore in 2013, Australia in 2014, Hong Kong, and Philippines in 2015, and Germany, Thailand, and Malaysia in 2016.



# About Discovery Limited

Founded in South Africa in 1992.

Started the operation of the Vitality Program in 1997.

It sells not only medical insurance and life insurance products but also non-life insurance products, such as small-size auto insurance.

Its subsidiaries operate credit card business and asset management business as well.

It promotes the linkage between Vitality Program and financial services.

# Overview of the program offered in South Africa

Points are provided based on the level of health promotion activities of the policyholders(insured) in a year.

1. Health check
2. Disease prevention
3. Exercise

There are five levels of status based on accumulated points.

The higher the status, the more insurance premium discount and the better services the policyholders(insured) will get.

# Expansion into Japan

Sumitomo Life concluded an exclusivity agreement.

Slogan: Making Japan healthier through health promotion insurance

Business model: Creating Shared Value

Creation of shared value by policyholders, the society, and companies/employees

Policyholders → can improve health conditions while enjoying insurance premium discounts

Society → healthier society, improvement in productivity, and reduction in medical costs

Insurers → reduction in mortality/morbidity rate and in surrender rate

# Sumitomo Life “Vitality” ①

Planned to be launched in July 2018.

<Target activities (for which points are given)>

1. Results of medical checkup (BMI, blood pressure, and cholesterol, etc.)
2. Health check, non smoking declaration, etc.
3. Daily exercises

## Sumitomo Life “Vitality” ②

“Status” is given based on the points obtained during a year. Specifically, there are four levels of status, which are Gold, Silver, Bronze, and Blue.

<Insurance premium>

1. Discount is applied from the time of the purchase on condition that the customer will work on health promotion activities.
2. Insurance premium changes every year depending on the status.

# Sumitomo Life “Vitality” ③

<Reward menu>

Sporting goods, inns/hotels, wearable devices, gym fees, healthy food, coffee, smoothie, and blood test

# Sumisei Vitality Action

A social contribution activity focused on health-enhancing

Concept: “Move your body with your loved ones!”

Parent-child sports events and Run events are held in 110 places in the country.

# Opened “Sumisei Digital Innovation Labs”.

Set up in Tokyo and Silicon Valley in the U.S. in April 2018.

Concluded a partnership agreement with Plug and Play, an enterprise that supports venture companies, and invest in startups.

Develop/secure innovation/global human resources.



# Development of new tablets

To be utilized for suggesting Vitality as well.

To introduce approx. 40,000 tablets, starting from July 2018.

In addition to ID/password authentication, the face recognition AI engine “NeoFace”, developed by NEC, is adopted.

Through digitized procedures, the processes from “confirmation/review of coverage” to “application for insurance” will be completed smoothly while viewing the screens together with the policyholders.

# InsurTech-related initiatives to date

## <Insurance sales>

Increase efficiency of sales activities by providing recommendations.

Reinforce customer approaches through non-face-to-face channels and verify effect of marketing tools.

## <Services>

Enhance services (Improve call center response, and customer convenience)

## <Asset management>

Increase accuracy of risk prediction in asset management.

# InsurTech-related initiatives

<Operational efficiency>

Automate inquiry responses at employee support desk.

Mechanize operations such as input, automatic identification of texts such as medical certificates.

<New businesses (under consideration)>

Verify applicability of P2P (Peer to Peer) network in insurance business.

Data business possibilities (Use of data collected in Vitality)

# Demonstration experiment of blockchain

The implementation period is for about three months starting from May 2018.

<Expected effects>

1. Automation of insurance management processes and reduction of operation costs
2. Improvement of convenience of policyholders
3. Ensuring of a high level of security
4. Reasonable system development costs

# <InsurTech market size/trend>

# InsurTech market size

In 2016: projected to reach 46 billion yen

In 2020: projected to expand to 110 billion yen  
(“InsurTech Market for Life Insurance in Japan: Key Research Findings 2017” issued by Yano Research Institute Ltd.)

# Eight categories of InsurTech

1. Development of health-promotion-type insurance products for each of individuals
2. Disease control programs
3. Consulting services utilizing AI and chatbot for insurance and insurance reconsideration
4. Automation of underwriting using AI
5. Tracking from recommendation of seeking a diagnosis to an actual diagnosis, or from when informed of abnormality until an actual examination
6. After sales services for policyholders and their families by means of apps and other methods
7. Automation of claims payment assessments utilizing AI and/or BRMS (Business Rule Management System)
8. Utilization of blockchain as an infrastructure

# Market trend in 2016

The market was led especially by those solutions of streamlining and upgrading of business processes that utilize AI and other methods.

Data is being collected towards the development of health promotion insurance and disease control programs by life insurers.

AI has been adopted in the limited solutions including judgment of accepting the insurance, and payment of insurance claims/incurred claims.

Successful cases including innovative business processes are created.



# **How will InsurTech change insurance business?**

# Comments by major insurer A

What will be realized in what span of time?

We are still in the middle of researching it, and thus we will create products with great potential by repeating trial and error.

Since medical big data is still in the research and development phase, the pursuit of a short-term return would limit the potential. Regarding development costs, we'll consider them based on our big picture.

## **Comments by major insurer B**

We have a high hope for what InsurTech will bring. We are expecting the following two benefits: creation of new services and innovation, and improvement in operational efficiency.

Regarding the improvement in operational efficiency due to RPA, etc., we are now conducting demonstration experiments concerning routine operations of mainly the asset management division and the administrative service division. Based on the results of such experiments, we will think about the company-wide introduction.

## Comments by major insurer C

This would significantly impact direct writing companies. In Silicon Valley, people are seriously thinking about innovation to live longer and healthier. Some day, we will be able to control, to some extent, our own health conditions, including preventing diseases.

When such time comes, what role will insurance play? We think that the role of direct writing companies might slightly change. For example, we might mainly offer services such as health improvement programs about how to control health factors, rather than offering insurance functions.

Common knowledge about health would change, and such a significant change would have a great impact on insurance business. Thus, we are making various efforts to grasp the direction.

# Comments by major insurer D

Last year, we set up the Innovation Promotion Section within the Planning Department. We are in the process of incorporating the results of our experimental study into our actual operations. Specifically, we are considering introducing AI in the following three operations:

1. Decision-making operation: make decisions on insurance underwriting and payment of insurance claims
2. Inquiry handling operation: respond to inquiries from customers or sales offices
3. Action suggestion operation: actively plan/suggest new measures

We will work on all the areas while repeating trial and error, instead of rushing.

**Thank you for your attention.**