

4 . Distribution of Life Insurers' Revenues and Expenditures

(1) Premium Income

Thanks to the good sales of individual insurance, premium income for fiscal 2003 increased by 1.8 percent from the previous year to ¥25.9608 trillion (or roughly \$245 billion).

Table 4. Premium Income

(billion

¥、 %)

Fiscal Year	Total of Premium Income	Individual Insurance	Individual Annuity	Group Insurance	Group Annuity	Reinsurance
1960	255	242	0.0	12	-	-
1970	1,800	1,589	26	84	98	-
1980	8,226	6,596	66	694	814	6
1990	27,320	16,648	1,601	1,368	7,177	150
1999	27,607	16,675	2,134	1,375	6,912	128
2000	26,940	16,164	2,172	1,372	6,839	41
2001	26,185	15,671	2,135	1,356	6,631	31
2002	25,511	15,722	3,022	1,318	5,135	21
2003	25,960	14,867	4,638	1,296	4,870	16
G.R. (%)	1.8	- 5.4	53.5	- 1.7	- 5.2	- 23.8

(2) Life Insurers' Expenditures

Life insurers' payment under life insurance policies increased by 2.5 % from the previous year to ¥24.2445 trillion (or roughly \$229 billion). The result is attributed to the increase in repayment by 11.1 percent to ¥ 1 trillion (or roughly \$9 billion) even though the benefit payment decreased by 28.9 percent to ¥ 3.6 trillion (or roughly \$34 billion). Reflecting the cost-cutting efforts by every life insurer, operating expenses were ¥3.5706 trillion yen (or roughly \$33 billion), which is a decrease by 0.7 percent from a year ago.

Table 5. Expenditures

(billion ¥、 %)

Fiscal Year	Total	Payments under Life Insurance Contracts etc.			Addition to Reserves	Operating Expense
		Benefit Payment	Annuity Payments	Repayments		
1960	48	35	-	12	-	81
1970	572	351	4	214	-	465
1980	3,293	2,446		843	2,846	1,954
1990	12,785	8,462	277	3,999	13,149	4,202
1999	28,826	14,639	1,198	12,647	2,615	3,795
2000	25,051	12,622	1,274	10,885	2,551	3,809
2001	28,492	12,949	1,386	14,017	1,634	3,756
2002	23,648	12,478	1,470	9,339	2,297	3,595
2003	24,244	8,876	1,581	10,380	3,652	3,570
G.R. (%)	2.5	- 28.9	7.6	11.1	58.3	- 0.7

(3) Basic Profit

Despite harsh environment for sales and investing activities, the basic profit of life insurers slightly increased from the previous year to ¥ 2.1916 trillion yen (roughly \$20 billion) This is mainly attributed to companies' effort to curtail business expenditures.

Table 6. Basic Profit (billion ¥)

Fiscal Year	Basic Profit
1999	
2000	2,237
2001	2,259
2002	2,151
2003	2,191

5. Sales

(1) New Business and Business in Force

Because of continued shift in consumers' needs to medical and nursing insurance products from sizable life insurance products, new business written for individuals decreased by 4.8 percent in terms of number, or 16.0 percent in terms of amount. Accordingly, business in force at the end of fiscal 2003 (sum of individual insurance, individual annuity, group insurance) declined by 3.9 percent to ¥1609.2730 trillion (or roughly \$15233 billion).

Individual insurance, group insurance, and group annuity except for individual annuity declined from the previous year.

Table 7. Growth of New Business

Fiscal Year	New Business				
	Individual Insurance		Individual Annuity		Group Insurance
	Number (million)	Amount (billion ¥)	Number (thousand)	Amount (billion ¥)	Amount (billion ¥)
1960	6.5	1,913	1	(0.1)	134
1970	9.8	19,151	76	(11)	4,154
1980	12.1	80,020	168	(76)	6,938
1990	16.6	207,535	2,167	13,076	23,175
1999	12.4	134,278	815	3,215	8,951
2000	12.4	133,559	886	3,605	7,054
2001	14.1	128,098	511	1,910	16,603
2002	13.8	120,712	750	3,408	14,189
2003	13.1	101,381	1,113	5,199	13,797
G.R. (%)	- 4.8	- 16.0	48.4	52.6	- 2.8

(Note) For individual insurance and individual annuity, number includes ones after conversion, and amount includes net increase from conversion. As to amount of individual annuity, figures from 1960 through 1980 represent annual amount, and after 1990, figures show accumulated capital.