

## D. Distribution of Life Insurers' Revenues and Expenditures

### 1. Premium Income

Thanks mainly to the continuing brisk sales of individual annuity products, premium income for fiscal 2004 grew by 4.1 percent year-on-year to ¥27.022 trillion (\$252 billion).

**Table 4. Total Premium Income** (billion ¥, %)

Fiscal Year	Total Premium Income <sup>4</sup>	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
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
2004	27,022	14,885	6,294	1,274	4,297	12
G.R.(%)	4.1	0.1	35.7	-1.7	-11.8	-25.0

### 2. Payments

The amount of life insurers' payment for insurance claims significantly reduced by 12.0 percent to ¥21.336 trillion (\$199 billion) in fiscal 2004. Although the total amount of payments for annuity and for reinsurance grew by 8.3 percent to ¥0.19 trillion (\$1.7 billion), a considerable decrease was confirmed in the total amount of payment for benefits and repayments, by 14.2 percent to ¥3.1 trillion (\$28.9 billion). As a result of the life insurers' persistent efforts for increased efficiency, operating expenses were held down at ¥3.567 trillion (\$33 billion), almost the same amount as in the previous year.

**Table 5. Total Payments** (billion ¥, %)

Fiscal Year	Total <sup>4</sup>	Payments under Life Insurance Contracts			Addition to Reserves	Operating Expenses
		Benefits	Annuity	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
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	11,517	1,581	10,380	3,652	3,570
2004	21,336	10,188	1,659	8,605	5,756	3,567
G.R.(%)	-12.0	-11.5	4.9	-17.1	57.6	-0.1

### 3. Basic Profit

Despite the harsh environment for sales and investment activities, the basic profit, an indicator of a life insurer's basic earning capacity, demonstrated significant growth in fiscal 2004 to ¥2.462 trillion (\$23 billion) compared to the previous year. An increase in operating profit played a key role in this upturn.

**Table 6. Basic Profit** (billion ¥)

Fiscal Year	Basic Profit
2000	2,237
2001	2,259
2002	2,151
2003	2,191
2004	2,462

<sup>4</sup> The total amount of Table 4 and Table 5 includes other premium income and other payments respectively.