

## E. Sales

### 1. New Business and Business in Force<sup>7</sup>

Because of the continuing shift in consumers' demands toward products highlighting especially medical and nursing-care benefits away from products with sizable death protection, new business written for individuals was down from fiscal 2004 both in terms of number (by 3.1 percent) and amount (by 11.4 percent).

Accordingly, the business in force (the sum of individual insurance, individual annuity and group insurance) at the end of FY2005 shrank slightly by 2.4 percent to Y1,531 trillion (\$13,045 billion) from the previous year. The business in force of individual insurance, group insurance, and group annuity also continued to decline, while individual annuity keeps enjoying stable growth.

**Table 7. New Business**

(Number: in thousands, Amount: Y billion)

Fiscal Year	New Business				
	Individual Insurance <sup>f</sup>		Individual Annuity <sup>f</sup>		Group Insurance
	Number	Amount	Number	Amount	Amount
1960	6,568	1,913	1	(0.1) <sup>g</sup>	134
1970	9,807	19,151	76	(11)	4,154
1980	12,135	80,020	168	(76)	6,938
1990	16,686	207,535	2,167	13,076	23,175
2001	14,109	128,098	511	1,910	16,603
2002	13,830	120,712	750	3,408	14,189
2003	13,166	101,381	1,113	5,199	13,797
2004	12,592	91,159	1,369	7,467	10,165
2005	12,208	80,753	1,547	8,621	7,796
GR(%)	-3.1	-11.4	13.0	15.5	-23.3

<sup>f</sup> The number of contracts of both individual insurance and individual annuity includes converted contracts. Accordingly, the amount of the contracts of individual insurance and individual annuity reflects the net increase arising from the conversion.

<sup>g</sup> As regards the amount of individual annuity, the figures in parentheses from 1960 through 1980 represent the annual annuity amount, and from 1990 onward, the amount shows the accumulated capital for annuity at the commencement of annuity payments.

**Table 8. Business in Force**

(Number: in thousands, Amount: Y billion)

Fiscal Year	Business in Force						
	Total Amount (excluding Group Annuity)	Individual Insurance	Individual Annuity	Group Insurance		Group Annuity	
		Amount	Amount	Number	Amount	Number	Amount
1960	6,996 <sup>h</sup>	6,002	(0.1) <sup>h</sup>	-	994	-	-
1970	78,262	60,674	(32)	-	17,556	-	222
1980	572,487	384,331	(160)	-	187,996	-	3,292
1990	1,605,337	1,092,117	41,790 <sup>i</sup>	-	471,430	-	31,439
2001	1,734,211	1,255,623	69,593	83	408,995	84	40,395
2002	1,675,181	1,210,245	68,276	73	396,658	74	37,360
2003	1,609,273	1,152,648	69,563	66	387,060	65	34,937
2004	1,568,662	1,112,170	74,109	66	382,382	59	32,666
2005	1,531,582	1,070,570	80,416	64	380,595	51	32,744
GR(%)	-2.4	-3.7	8.5	-2.8	-0.5	-12.4	0.2

<sup>h</sup> From 1960 through 1980, the figures of the individual annuity in parentheses represent the annual amount (not the accumulated amount) and are excluded from the total amount.

<sup>i</sup> The figures of the individual annuity from 1990 onward represent the sum of the accumulated capital at the commencement of annuity payments and the amount of liability reserves after the commencement of annuity payments.

<sup>7</sup> The "New Business" represents the total of newly acquired insurance contracts and "Business in Force" represents the total amount of individual insurance, individual annuity and group insurance policies in force.

## 2. Business in Force and the Domestic Economy

The amount of business in force per household and per person slightly inched down to Y30.39 million (\$0.25 million) and to Y12.07 million (\$0.10 million), respectively in FY2005.

**Table 9. Scale of Business in Force in the Domestic Economy** (Y million)

Fiscal Year	Percentage of National Income (%)	Per Household <sup>k</sup>	Per Capita <sup>k</sup>
2001	481 <sup>j</sup>	36.12	13.73
2002	471	34.44	13.15
2003	449	32.66	12.69
2004	435	31.47	12.36
2005	417	30.39	12.07

<sup>j</sup> From 2001 through 2004, due to a change in data resources, the figures for "Percentage of National Income," which had been presented in our past reports, are now replaced with updated ones accordingly.

<sup>k</sup> The data on the number of households and on national population are taken from the "Basic Resident Registers FY2005" issued by the Statistics Bureau of the Ministry of Internal Affairs and Communications (MIC).

## 3. Percentage of the Types of Policies

The Whole Life with Term Insurance has been the mainstay of individual life insurance sales, with the share of the business in force still accounting for approximately 36 percent in terms of amount.

However, as for the share of new business written during FY2005, the amount of Whole Life with Term Insurance slightly shrunk to around 13 percent. The amounts of new business of Adjustable Interest Rate Funding Whole Life Insurance slightly fell short of 18 percent and Term Insurance approached at 30 percent. These shifts suggest the changing preference of customers for diversifying types of insurance products.

**Table 10. Individual Insurance Share by Type (FY2005)** (%)

Type of Policies	Business in Force		New Business	
	Number	Amount	Number	Amount
Whole Life	12.9	8.5	13.5	7.1
Whole Life with Term	15.0	36.4	4.3	13.2
Adjustable Interest Rate Funding Whole Life	6.2	13.0	8.2	17.8
Term	11.6	15.1	14.6	29.7
Endowment	8.2	2.8	4.8	2.3
Endowment with Term	2.3	1.9	0.4	0.7
Variable	1.1	0.8	0.8	0.5
Others	42.7	21.5	53.4	28.7