

### g) Number of Member Companies and Sales Force

The number of LIAJ member companies, all life insurers operating in Japan, stood at thirty-eight as of the end of fiscal 2006 (end of March 2007).

With regard to distribution channels, tied sales agents have long been the linchpin of life insurance sales activities in Japan. However, after peaking at approximately 440 thousand in 1990, the number of agents continued to decline, and in 2006 it fell to slightly below 250 thousand. Meanwhile, the number of sales representatives at agencies has been rising sharply since Japanese banks started selling individual annuity products subsequently to the partial lifting of the ban on bancassurance in October 2002.

The number of stock companies has been increasing significantly from the 1960s when only four stock companies were registered with the LIAJ. This surge can be mainly attributed to the drastic revision to the Insurance Business Law (IBL), which came into effect in April 1996. As the revised IBL included the introduction of a demutualization scheme which allows a mutual insurance company to be converted into a stock insurance company, it prompted several existing mutual companies to demutualize. In addition, the gradual penetration of foreign life insurance companies in the Japanese market was also another important factor for the increase in the number of stock companies.

**Table-8 Number of Member Companies and Agents/Agencies**

Fiscal Year	Member Companies <sup>a</sup>	Number of Sales Force (in thousands)		
		Tied Agents	Agencies	Sales Reps at Agencies
2001	44 (32)	302	145	296
2002	42 (34)	284	139	693
2003	40 (33)	268	130	713
2004	39 (33)	263	124	721
2005	38 (32)	259	122	747
2006	38 <sup>b</sup> (32)	248	115	776

a. Numbers in parentheses are those of stock companies.

b. As of the end of March 2007, the number of member companies with foreign participation was 15.

Crédit Agricole Life joined the LIAJ on 1 November 2007, and the number of foreign companies in November 2007 is 16 as shown below.

#### Reference: Member Companies with Foreign Participation (as of 1 November 2007)

Domestic Companies with Foreign Capital			Branch Offices of Foreign Companies
AIG Edison Life	Gibraltar Life	MassMutual Life	ALICO Japan
AIG STAR LIFE	Hartford Life	PCA Life	American Family Life
AXA Life	ING Life	Prudential Life	CARDIF Assurance Vie
Crédit Agricole Life	Manulife Life	Winterthur Swiss Life	Zurich Life