

7. Code of Conduct

In recent years, the Association has realized the needs to secure an enhanced structure for compliance and internal control as well as for better consumer protection and increased convenience for customers. The LIAJ is also aware of social responsibilities that it must fulfill as a corporate citizen. In addition to these demands, a series of inappropriate payout practices have caused the distrust of the industry among the public, which is the most pressing issue for all life insurers. Therefore, in order to put more customer-oriented management in practice, the Association made a full revision of the code of conduct in June 2007.

Major Points of the Revision:

(1) Identify the purposes of the “Code of Conduct” and other guidelines

(2) Lay down the “Principles of Conduct”

The Association laid down three “Principles of Conduct”: “customer-oriented”, “based on compliance and high business ethics” and “based on social responsibilities”.

(3) Formulate the “Action Guidelines”

The Association formulated the “Action Guidelines” for life insurance companies, with an aim to build and maintain strong customer confidence in the industry through appropriate responses to customers at each stage of “conclusion of contract”, “during the policy period” and “claims and payment”, promoting mutual understanding with customers, strengthening of compliance and risk management, and consideration to environmental issues, etc.

Action Guidelines (Abstract)

1. Encouraging appropriate response to customers throughout the stages from proposal and provision of products to claims payment

To establish customers' satisfaction and trust, Life Insurers shall provide quality products which meet customers' needs, render services from the customers' point of view, and award appropriate insurance payouts.

2. Promoting mutual understanding with customers and society

Life Insurers shall provide customers and society with information related to business activities in an accurate and proactive manner, listen extensively to customer input, respond to it sincerely, and reflect it in the management.

3. Handling properly and protecting thoroughly the customer information

Life Insurers shall recognize the materiality (highly confidential and significant nature) of information received from customers through life insurance business and strive to carefully handle and thoroughly protect such information.

4. Promoting compliance

In order to establish the firm trust of customers and society, Life Insurers shall conduct fair business activities in conformity with the norms of society, including all relevant laws and regulations.

5. Confronting anti-social forces

Life Insurers shall resolutely confront any anti-social forces that could jeopardize public order and safety.

6. Engaging in safe and profitable asset management with due consideration for its social nature

Life Insurers shall engage in asset management seeking to ensure safety and profitability, taking into consideration its social and public nature.

7. Promoting efforts to address environmental issues

Life Insurers shall address environmental issues voluntarily and proactively, based on the recognition that addressing the issues are important tasks to be undertaken commonly by all humankind.

8. Promoting social contribution activities

To achieve a sound and sustainable development of society which serves as the basic infrastructure of life insurance business activities, Life Insurers shall actively take part in social contribution activities or programs as a "good corporate citizen."

9. Respecting the human rights of employees and achieving a vibrant working environment

While respecting the human rights of employees, Life Insurers shall ensure an employee-friendly working environment which allows each person to exercise his/her full abilities.

10. Strengthening risk management measures

Life Insurers shall take through risk management measures under the leadership of the management with appropriate operation and continuous improvement to be able to meet obligations to customers and establish trustworthiness.

11. More effective prevention of recurrence of mismanagement and fulfillment of accountability.

In the cases of the events that shall affect customers or society, under solid leadership of the management, Life Insurers shall strive to thoroughly determine the cause(s), prevent a recurrence and fulfill their accountability vis-à-vis customers and society.