

b) Postal Reform

On 4 December 2009, the legislation to freeze the planned sale of shares in Japan Post Holdings, Japan Post Bank and Japan Post Insurance was approved at an extraordinary session of the Diet. On the same day, the Chairman of the LIAJ issued the following statement related to the approval.

The LIAJ firmly believes that with postal privatization, particularly regarding life insurance, it is very important that the postal life insurance business is treated equally with private life insurers competing on the fair open market, so that a stronger economy can be realized and the benefits for Japanese people can be increased. In order to realize this, we strongly reaffirm our view that **ensuring a level playing field** should be an essential precondition for postal privatization and therefore fair competition with private life insurers should not be inhibited.

We understand that the intention of the Government's postal review is to "ensure the security of people's lives and to revitalise local communities." However, we believe the fundamental principles of **contributing to the enhancement of people's lives and the sound development of the national economy** should also continue to be upheld as important pre-conditions in the review.

The LIAJ is concerned that any bill which is prepared in the months ahead could undermine the sound development of the life insurance market unless **a level playing field** between Japan Post Insurance and other private life insurers is secured. Therefore, we feel Japan Post Insurance should not be granted any extensions to the scope of their operations, such as increasing the maximum insurance policy amount, unless necessary conditions are fulfilled, particularly **appropriate preparations** in terms of underwriting, payment and compliance in addition to a level playing field.

To conclude, in line with the fundamental principles mentioned above, we herewith strongly reiterate that the government should keep **a level playing field** in mind throughout the review process. Furthermore, we also request that the Government review is carried out with real transparency and cooperative involvement from all parties concerned, including the LIAJ and the general public.