

c) Life Insurance Consultation Center

1) Overview

The Life Insurance Consultation Center is located at the LIAJ and its 53 corresponding local offices have also been set up. The center and its offices provide consultation and receive inquiries or complaints from policyholders or consumers. Also, the LIAJ is credited as the certified body for investor protection defined in the Financial Instruments and Exchange Law. The Association strives to resolve complaints and mediate in disputes related to variable insurance, variable annuity, foreign-currency denominated insurance/annuity, life insurance with variable cash value and other specified insurance contracts.

2) Complaints received in fiscal 2008

The total number of general consultations and complaints received by the Life Insurance Consultation Center in fiscal 2008 was 17,716, down 2,421 (12.0% y/y) from the previous year.

In July 2008, the Financial Services Agency issued business improvement orders concerning the inappropriate handling of insurance claims to 10 life insurance companies. The LIAJ received many complaints related to insurance claims in the same month. In addition, following reports on the injection of public funds into insurance groups in the U.S. in September and on the bankruptcy of Yamato Life in October, the Center received many general inquiries about the management situation at life insurance companies and policyholder protection in September and October.

The number of general consultations slightly increased while the number of complaints decreased from the previous year.

➤ The number of consultations and complaints by item in fiscal 2008

Item (Content)		Number	Share (%)	Y/Y (%)
General Consultation	New contract	1,318	13	87.4
	Premium	242	2.4	106.6
	Policy maintenance	1,279	12.7	86
	Claims and Benefits	1,040	10.3	78.3
	Others	6,221	61.6	114.4
	Subtotal	10,100	100	101.1
Complaint	New contract	1,929	25.3	95.1
	Premium	628	8.2	83.5
	Policy maintenance	2,049	26.9	74.2
	Claims and Benefits	2,513	33	63
	Others	497	6.5	80.7
	Subtotal	7,616	100	75
Total		17,716		88

3) Arbitration Council

In preparation for cases in which a problem persists for one month or longer after the Life Insurance Consultation Center received the complaint, the Arbitration Council, which is in charge of the Alternative Dispute Resolution, was formed under the Center in March 2001. The Council consists of nine members including four lawyers, four consumer life consultants and one staff from the Life Insurance Consultation Office. The Council judges the case from a fair and unbiased standpoint in order to reach an appropriate solution.

➤ Flow of procedures to apply for Arbitration Council

