

**d) Life Insurance Policyholder Protection Scheme**

The Life Insurance Policyholders Protection Corporation of Japan (PPCJ) is a corporate entity that was established on 1 December 1998 based on the Insurance Business Law. All life insurers operating in Japan automatically become members of the Corporation.

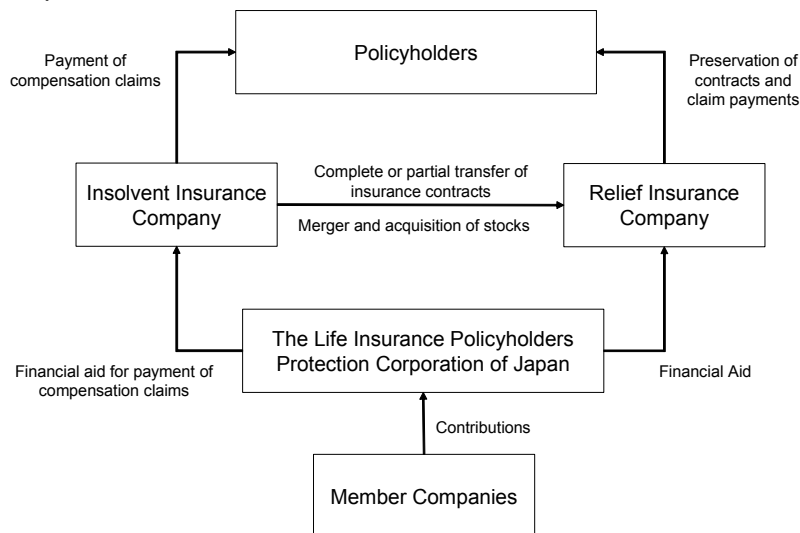
The PPCJ's mission is to provide financial aid when policies are transferred from an insolvent insurer or when payment of compensation claims is necessary, as a mutual assistance system for the benefit of policyholders of life insurers.

Also, the PPCJ acts on behalf of policyholders in following a life insurer's rehabilitation procedures, which includes all actions such as voting by proxy at stakeholders' meetings that discuss the proposed reorganization plan developed by the reorganization trustee.

\*The PPCJ's system of voting by proxy was established to ensure that rehabilitation procedures are smoothly followed, and does not prohibit voting by the policyholder.

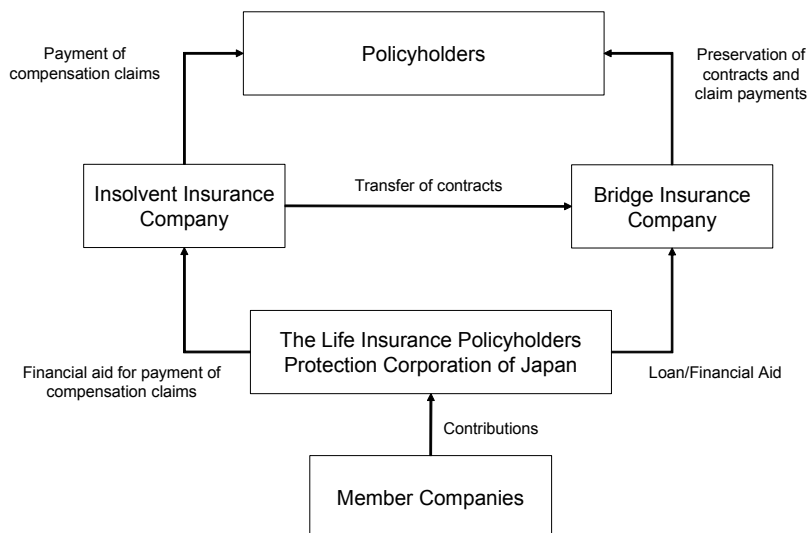
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- When a relief company, to which the insurance contracts of an insolvent insurance company are to be transferred, steps forward

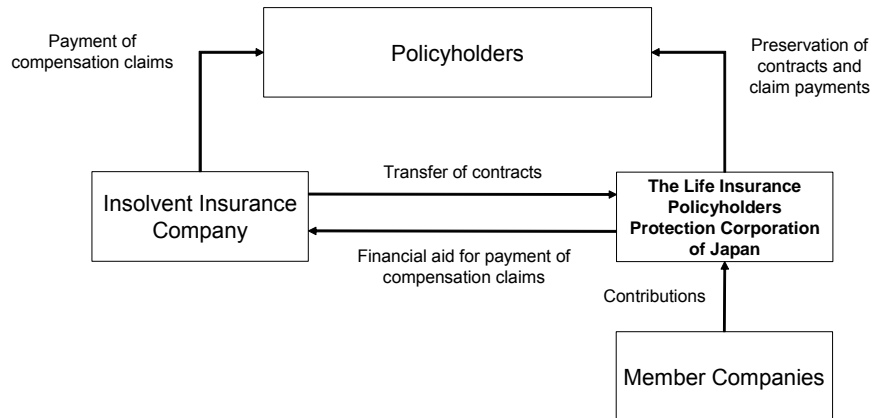


- When a relief company, to which the insurance contracts of an insolvent insurance company are to be transferred, does not step forward

1. Transfer of contracts to a “bridge insurance company”



2. Contracts undertaken by the PPCJ



**Compensation Coverage**

- Insurance contracts of life insurers operating in Japan (excluding the special accounts of investment-linked insurance policies)

**Compensation Range**

- 90% of policy reserves (excluding policies with high expected interest)
- The compensation ratio for policies with high expected interest is as follows:  
 $90\% - [\text{sum of (each expected interest in the past 5 years – the base rate)}] / 2]$

**Funding Scheme**

<b>Industry contributions</b> <b>¥460 billion</b>	+	<b>In case the amount of financial assistance exceeds the ceiling on industry contributions, government aid is available*</b>
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\* Government aid becomes available when all of the following conditions are met: 1) the financial aid exceeds the industry contributions, 2) it becomes difficult to maintain the credibility of the insurance industry as a result of deterioration of a member's financial condition, and 3) there is a risk of serious impact on people's lives and financial markets. This is available until the end of March 2012.