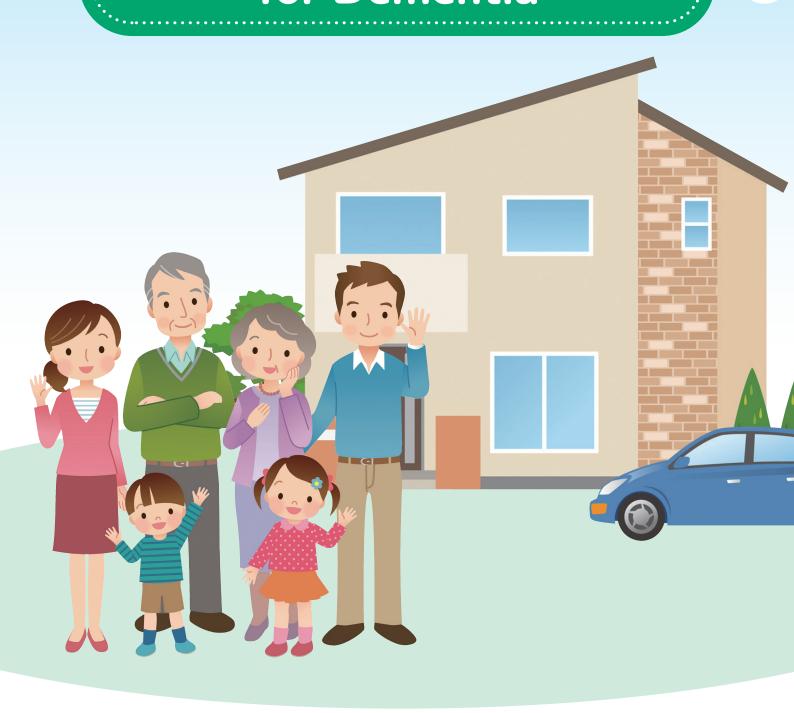
# To Life Insurance Policyholders Preparing Family Members for Dementia



#### Introduction

In a super-ageing society where people live for 100 years, we recognise that enhancing services provided to the elderly and preparing an environment in which policyholders can renew their policies with peace of mind is a very important undertaking for the life insurance industry, which provides long-term coverage and other services for various life stages. The number of dementia patients is growing rapidly, and the entire life insurance industry is coming together to provide support. This booklet goes over the challenges faced not only by the individual but also their family members, including the inconveniences, when the policyholder/family members develop dementia and summarises the preparations that family members should make. We hope you will take advantage of the information it contains.

#### **Contents**



### 1 - 1 Preparation in life and life insurance procedures

During our lives, it is necessary to review our insurance policies and complete various procedures on various occasions, such as when children are born, when children leave the home, when we are hospitalised, and when family members pass away.

#### (Example)

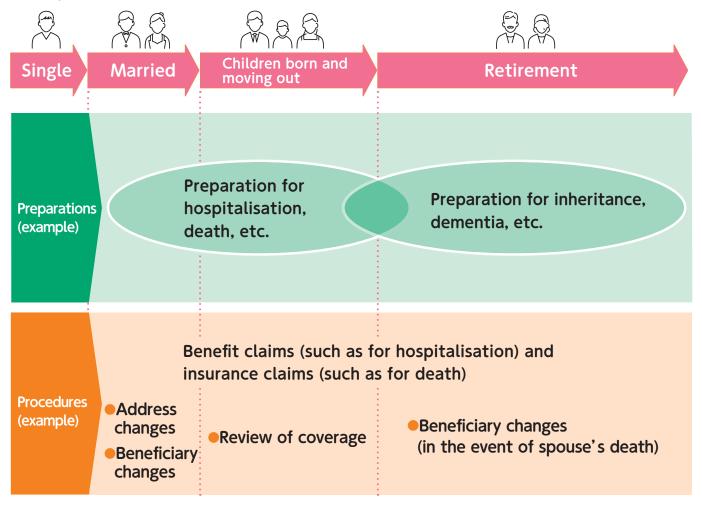


Figure 1: Illustration of necessary preparations and life insurance procedures

### 1 - 2 Average life and healthy life expectancy

In a super-ageing society where people live for 100 years, average life expectancy continues to increase. On the other hand, there is about a 10-year difference between life and healthy life expectancy. (Healthy life expectancy is how long an individual is expected to live in good health and independently.) Since average life expectancy is expected to continue increasing, it is important to work on increasing healthy life expectancy.

#### **Average Life Expectancy and Future Projections**

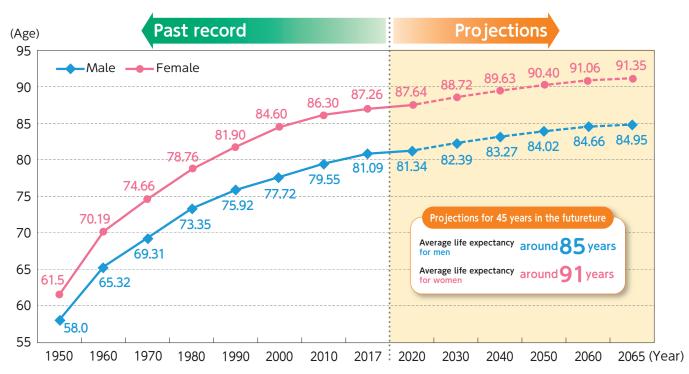


Figure 2: Prepared based on "2018 Annual Report on the Ageing Society" (Cabinet Office)

#### Difference Between Average Life Expectancy and Healthy Life Expectancy (2016)

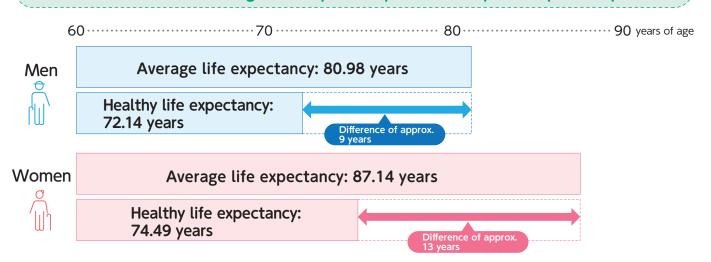


Figure 3: Prepared based on "2018 Annual Report on the Ageing Society" (Cabinet Office)

# 1- 3 Ageing of the population and increasing numbers of dementia patients

The number of people with dementia is increasing as society ages, and the prevalence spikes with age, particularly at 75 years of age and older. Since the prevalence of dementia is expected to continue increasing and anyone can develop it, it is not somebody else's problem. When a life insurance policyholder develops dementia, difficulties arise with respect to insurance procedures and other matters ( \*\* see page 7).

#### Spike in Prevalence (Particularly at 75 Years of Age and Older)

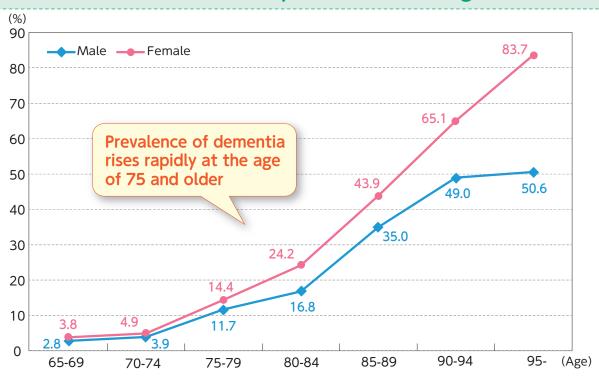


Figure 4: Prepared based on the FY2011 summary/shared research report "Incidence Rate of Dementia in the Urban Area, and Response to Living Functional Disability Caused by Dementia" of the Comprehensive Research Project on Measures against Dementia for the MHLW Health and Labour Sciences Research Grants (Takashi Asada et al.)

#### Significant Percentages of People Develop Dementia

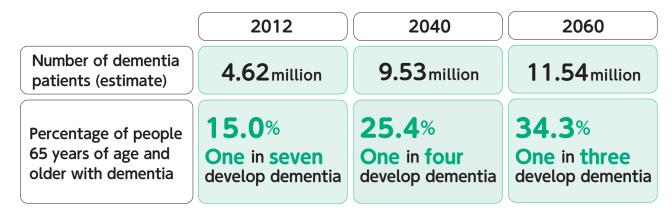


Figure 5: Prepared based on the preliminary results from "Research on the Future Estimation of the Elderly Population with Dementia in Japan" (Special Research Project for the MHLW Health and Labour Sciences Research Grants of FY2014 by Professor Ninomiya of Kyushu University) and projected number of people/(rate) with dementia on the assumption that the prevalence of dementia for each age group increases

#### What is dementia?



Dementia refers to a group of symptoms associated with difficulties in daily life (lasting six months or longer) arising from various disorders that result from damage to or deterioration of brain cells due to different factors.

Symptoms of dementia include core, behavioral, and psychological symptoms.

	Memory disorders  Being unable to	Being unable to remember or recall things
Core symptoms	Impaired comprehension or judgment	Slowed thinking Loss of ability to use appliances and ATMs
Core symptoms	Functional disorders	Loss of ability to plan and act
	Disorientation	Forgetting time and place and eventually relationships with other people

Main behavioral and psychological symptoms

- <Getting lost> Walking around and forgetting how to get back
- **Delusions>** Becoming convinced of things that are not true, such as theft of belongings
- <Hallucinations> Seeing or hearing things that are not there
- **Violent behavior>** Becoming violent because of the inability to express feelings or control emotions
- Delirium> Becoming nervous and confused, walking around the house and talking to self, etc.
- <Depression> Feeling down and becoming lethargic
- Personality changes > Changes in personality, such as a mild person becoming short-tempered
- <Uncleanliness> Refusal to bathe, playing with excrement, etc.

#### Mild Cognitive Impairment (MCI)

This is in between normal function and cognitive impairment. The individual is forgetful but is not impaired in terms of daily life.

As of 2012, the estimate was that 4 million individuals were affected. It is said that around 10-30% of those with mild cognitive impairment (MCI) develop dementia every year.

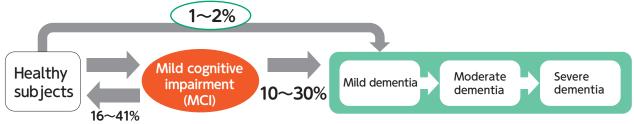


Figure 6: Prepared based on material from the Social Security Council Long-Term Care Insurance Subcommittee (June 20, 2019) (Ministry of Health, Labour and Welfare)

# How can people prepare for dementia?

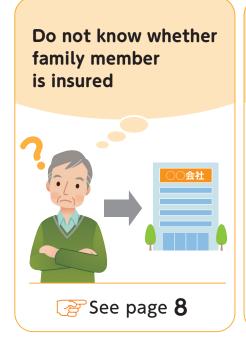


# Difficulties experienced by family members when policyholder develops dementia

(Even if insured...)

When a policyholder develops dementia, their judgment becomes impaired not only causing problems in their daily life but also preventing them from managing their own assets. This makes it difficult for them to manage and perform procedures related to various contracts, including life insurance. In such cases, the difficulties tend to be handled with help from family members and others, but there are times when even family members have difficulty handling procedures related to life insurance. It is important to make preparations together with family while the policyholder is healthy.

#### Difficulties faced by family members









## Preparations to make with family members before developing dementia



# Do not know whether family member is insured

The policyholder (individual) is enrolled in health insurance. His judgment has been impaired for several years. Recently, he was hospitalised for pneumonia.





#### Difficulties faced by family members



If he is enrolled in life insurance, I would like to claim benefits, but I don't even know if he's enrolled.

There are cases where family members have heard that the individual is enrolled in life insurance but they do not know which life insurance company.

#### Preparations to make beforehand

Make sure that family members know which insurance company and the details of the policy before developing dementia. ( See page 9)

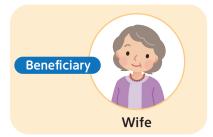


# Do not know the details of the policy

The policyholder (individual) is enrolled in insurance payable at death. Recently, his judgment has become impaired.

His wife came across an insurance certificate that she did not know about.





#### Difficulties faced by family members



I called the life insurance company to check the details of the policy, but I was told that I would need the consent of my husband, the policyholder. However, he has dementia, so I cannot ask him.

In principle, consent of the policyholder is required to respond to insurance policy inquiries by family members and others.

#### Preparations to make beforehand

ļ	Tell family members about life insurance while healthy and let them know th	ne details
	of the policy. (It is also important to come up with ideas, such as checking or	n an
	ongoing basis on special occasions or at other times.)	

Decide on a place to store insurance certificates and other documents related to the policy and let family members know.

- \* In principle, inquiries about insurance policies from persons other than the policyholder cannot be answered.
- \* Check the details on the policy notices sent out regularly by your life insurance company.
- \* In addition to the individual's contact information, some companies also offer services that include registering family member contact information and providing policy details to family members who are registered in advance. If your life insurance company provides information on such a service, consider registering for it.
- \* Handling of cases such as that in the example varies depending on the life insurance company. Reach out to your life insurance company for details.

Example 3

# Do not know whether benefits can be claimed on behalf of the insured

The policyholder (and insured) let his family members know that he was enrolled in health insurance.

His judgment has been impaired for several years. Recently, he was hospitalised for pneumonia.





#### Difficulties faced by family members



My husband has dementia, so he can't file a claim. I'm concerned that I may just not be able to get the benefits.

#### Preparations to make beforehand

Check to see if a proxy claim scheme (designated proxy claim scheme/designated
proxy claim riders) is used. ( 🛜 See page 11)

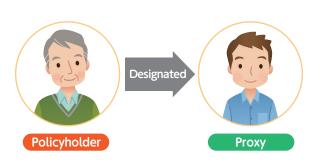
If used, check to see who the designated proxy claimant is and let that person know they have been designated.

- \* Normally, benefits for hospitalisation are claimed by the insured, but life insurance companies have designated proxy claim schemes/designated proxy claim riders for cases in which the insured is unable to file the claim themselves.
- \* In addition to proxy claim schemes, some companies have schemes in place for family members who are registered in advance at the insured's request to be able to perform procedures such as benefit claims.
- \* Handling of cases such as that in the example varies depending on the life insurance company. Reach out to your life insurance company for details.



### Designated proxy claim scheme/ Designated proxy claim riders

What are designated proxy claim schemes/designated proxy claim riders?



This is a scheme established by life insurance companies for designated proxy to claim benefits on behalf of the insured. The policyholder designates the proxy when the contract is signed or thereafter.

- \* Normally, if the policyholder and the insured are different people, consent of the insured is required.
- \* The applicable scope varies depending on the life insurance company. Some life insurance companies may not offer such a scheme.
- \* Some companies also have schemes (riders) allowing procedures to be completed by someone other than the policyholder on their behalf. Reach out to your life insurance company for details.

#### Who can be a designated proxy?



Although it varies depending on the life insurance company, generally, the insured's spouse, direct blood relatives, family members living in the same household (relatives within the third degree), and other such individuals can be designated.

<sup>\*</sup> The names of the schemes and riders vary depending on the life insurance company. Reach out to your life insurance company for details.

Example 4

### **Beneficiary** passes away

The policyholder (individual) is enrolled in insurance payable at death. Recently, his judgment has become impaired.

His wife, the beneficiary, passed away. As such, the beneficiary needs to be changed.





#### Difficulties faced by family members



I would like to make myself the beneficiary, but I was told that my father has dementia, so the change cannot be made. What do I do?

There are also cases in which the beneficiary develops dementia or another illness, making it difficult to file an insurance claim when the policyholder passes away.

#### Preparations to make beforehand

When an individual develops dementia, it is no longer possible to confirm their intentions. Thus, this prevents legal procedures, contract signing, etc. In such cases, normally the only proxy that can perform procedures on behalf of the insured are those who are adult guardians or voluntarily appointed guardians under the adult guardianship system. Consider deciding on a voluntarily appointed guardian beforehand and having a trusted family member who can perform the procedures on your behalf as one option ( See page 13). (Another method of property management is the family trust scheme ( See page 14).)

If you have wishes for how your property will be managed when you develop dementia, discuss them with your family and loved ones.
Consider deciding on a voluntarily appointed guardian or a family trust as ways to

determine how your property will be managed before you develop dementia.

<sup>\*</sup> Handling of cases such as that in the example varies depending on the life insurance company. Reach out to your life insurance company for details.



What kinds of systems and mechanisms are in place?

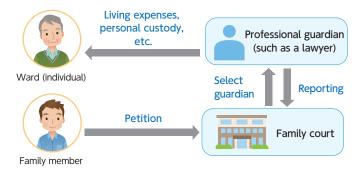




#### Adult guardianship system

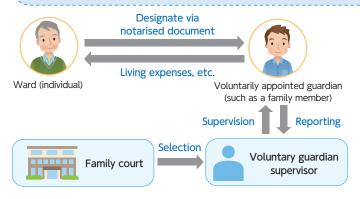
If your judgment becomes impaired due to dementia or other illness, it can be difficult to manage property such as real estate and deposit accounts, sign contracts for nursing care services or entering facilities, discuss partitioning of your estate, etc. The adult guardianship system is a national system for protecting and supporting those without sufficient power of judgment. There are two categories under the adult guardianship system.

#### 1 Legal guardianship system



After a family member files a petition for a person whose judgment is already impaired due to dementia or other illness, a family court will select an adult guardian who will provide care and support the individual in daily life, medical care, nursing care, welfare, and other such everyday matters. They are classified as guardians, curators, and assistants, which can be used depending on the individual's circumstances, such as the degree to which their judgment is impaired.

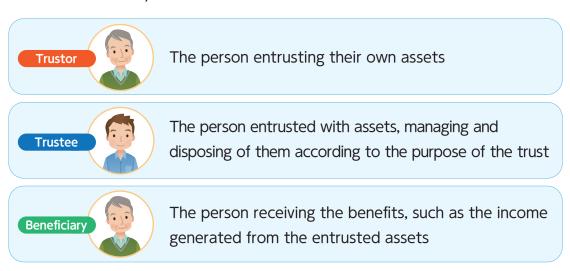
#### 2 Voluntarily appointed guardianship system

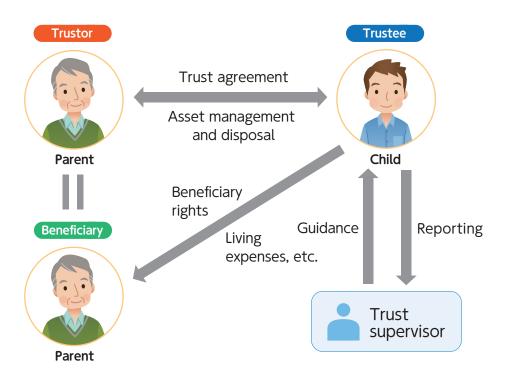


This system allows the individual to decide what kind of support they will receive in the future if their judgment becomes impaired from a guardian they appoint themselves while they still have sufficient power of judgment by means of a contract. When the individual's judgment becomes impaired, the voluntarily appointed guardian files a petition with the family court for selection of a voluntary guardian supervisor and provides the individual with care and support under the supervision of the voluntary guardian supervisor.

### 3 - 2 Family trusts

Family trusts are a method of property management. This is a scheme provided by a private business operator in which assets such as real estate and deposit accounts held by the individual are entrusted to a family member, who manages and disposes of them on their behalf, after deciding the purpose (e.g. dementia countermeasures, retirement living expenses, and nursing care expenses). These trusts consist of three parties: the trustor, the trustee, and the beneficiary.







For details on and how to use family trusts, consult with a lawyer or judicial scrivener.

#### From the editor-in-chief

We all share the desire not to develop dementia. Unfortunately, no matter how many preventive steps we take, a certain percentage of us will develop some type of dementia. Since a lot of people feel that thinking about developing dementia is depressing, they try not to think about it. However, developing dementia does not mean you cannot do anything anymore. As long as you have the proper support, you can still enjoy life even after developing symptoms.

It is important to make preparations now to ensure that the benefits make it into the hands of the family member(s) who will support you so that you can live a fulfilling life even if you develop dementia. This is also a difficult subject for family members to broach. Thus, we suggest that you share information with your family members during a holiday season, such as year-end/New Year's and Obon (Lantern Festival). Sharing your thoughts with your family members is sure to strengthen those bonds as well.

#### Jin Narumoto

Professor, Graduate School of Medical Science, Kyoto Prefectural University of Medicine

Completed doctoral program at Graduate School of Medical Science, Kyoto Prefectural University of Medicine. His main fields of research include clinical research on the cognitive functions and psychiatric symptoms of dementia patients and study of mental illness using brain scans. He serves as representative director of Decision-Making Support Organisation Japan and has authored several books, including *Practical Guide for Dementia Friendly Financial Services* (CREATES KAMOGAWA) and *Ninchisho no hito no iryou sentaku to ishi-kettei shien* 認知症の人の医療選択と意思決定支援 [Supporting the Medical Choice and Decision-making of Dementia Patients] (CREATES KAMOGAWA).



### Customer support (As of February 2021)



Contact a representative at your life insurance company or use the contact information below for life insurance consultations.

\* Check The Life Insurance Association of Japan website for the latest contact information. https://www.seiho.or.jp/english/

#### (In alphabetical order)

Α	AEON Allianz Life Insurance Co., Ltd.	0120-953-863
	Aflac Life Insurance Japan Ltd.	0120-5555-95
	Asahi Mutual Life Insurance Co.	0120-714-532
	AXA Life Insurance Co., Ltd.	0120-030-775
	AXA Direct Life Insurance Company Limited	0120-953-831
С	CARDIF Assurance Vie	0120-820-275
	Crédit Agricole Life Insurance Company Japan Ltd.	0120-60-1221
D	Daido Life Insurance Co.	0120-789-501
F	Fukoku Mutual Life Insurance Co.	0120-259-817
	Fukokushinrai Life Insurance Co., Ltd.	0120-700-651
	FWD Fuji Life Insurance Company, Limited	0120-211-901
Н	Hanasaku Life Insurance Co., Ltd.	0120-8739-17
J	JAPAN POST INSURANCE Co., Ltd.	0120-552-950
L	LIFENET INSURANCE COMPANY	0120-205-566
M	Manulife Life Insurance Company	0120-063-730
	Medicare Life Insurance Co., Ltd.	0120-315-056
	Meiji Yasuda Life Insurance Company	0120-662-332

	MetLife Insurance K.K.		0120-880-533
	Midori Life Insurance Company		0120-566-322
	Mitsui Sumitomo Aioi Life Insurand	ce Co., Limited	0120-324-386
	Mitsui Sumitomo Primary Life Insu	rance Co., Ltd.	0120-125-104
N	NIPPON LIFE INSURANCE COMPA	NY	0120-201-021
	Nippon Wealth Life Insurance Con	npany Limited	0120-817-024
	NN Life Insurance Company, Ltd.		0120-521-513
O	ORIX Life Insurance Corporation		0120-227-780
R	Rakuten Life Insurance Co., Ltd.		0120-977-010
S	SBI Life Insurance Co., Ltd.		0120-272-811
	Sompo Himawari Life Insurance, In	IC.	0120-273-211
	Sony Life Insurance Co., Ltd.		0120-158-821
	Sony Life With Insurance Co., Ltd.		0120-966-066
	SUMITOMO LIFE INSURANCE CO	MPANY	0120-307-506
T	The Dai-ichi Life Insurance Compa	ny, Limited	0120-157-157
	The Dai-ichi Frontier Life Insurance	e Co., Ltd.	0120-876-126
	The Gibraltar Life Insurance Co., L	td.	0120-37-2269
	The Neo First Life Insurance Comp	oany, Limited	0120-312-201
	The Prudential Life Insurance Co.,	Ltd.	0120-810-740
	The Prudential Gibraltar Financial		0120-56-2269
			0120-28-2269
	TAIJU LIFE INSURANCE COMPAN' (Formerly Mitsui Life Insurance Co		0120-318-766
	Taiyo Life Insurance Company		0120-97-2111
	Tokio Marine & Nichido Life Insura	ance Co., Ltd.	0120-016-234
		(If you enrolled through the forme sales branch) (If you enrolled through a financia institution, etc.)	
Z	Zurich Life Insurance Company Ltd	d.	0120-860-129



# Contact information for life insurance consultations and complaints

Consultants with extensive specialised knowledge are available to speak with you regarding consultations, inquiries, and complaints concerning life insurance.

#### Reference

#### **Life Insurance Consultation Center**

9:00 a.m. - 5:00 p.m. (closed on Saturdays, Sundays, holidays, and year-end/New Year's)

\*At year-end, the center is open until December 28 and opens again on January 4 of the following year.

#### By telephone



Tel: +81-3-3286-2648

\*Calls to the Life Insurance Consultation Office are recorded to improve the quality of the service. Thank you for your understanding.

In person (\*Please arrive by 4:00 p.m.)

3rd floor, Shin-Kokusai Building, 4-1 Marunouchi 3-Chome, Chiyoda-ku, Tokyo 100-0005, Japan (inside LIAJ)

Liaison offices have been opened in 50 locations nationwide.

Check the Life Insurance Association of Japan website for the location nearest to you.



https://www.seiho.or.jp/english/

#### Information on Arbitration Council

If the Life Insurance Consultation Center receives a complaint that cannot be resolved via thorough discussion between the life insurance company and the policyholder, etc., you can use an Arbitration Council in place to provide a decision from a fair and neutral position (to support dispute resolution).

In principle, if the complaint received by the Life Insurance Consultation Center is not resolved within one month after the life insurance company is notified and asked to respond, the complaint can be filed with the Arbitration Council.



Check what preparations can be made together with family members while the policyholder is healthy.

<b>√</b>		
1	Tell family members about life insurance and let them know the details of the policy.	See pages 8-9
2 🗹	Decide on a place to store insurance certificates and other documents related to the policy and let family members know.	See pages <b>8-9</b>
3	Check to see if a proxy claim scheme is used.	See pages 10-11
4	If a proxy claim scheme is used, check to see who the designated proxy claimant is and let that person know they have been designated.	See pages 10-11
5	Talk with your family members and loved ones about how your property will be managed if you develop dementia.	See pages 12-14
6	Consider deciding on a voluntarily appointed guardian or a family trust as ways to determine how your property will be managed.	See pages 12-14

#### To Life Insurance Policyholders: Preparing Family Members for Dementia

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