

“Status of claim & benefit payments,” “Number of customer complaints,”
“Status of Request System usage”
< Fiscal 2008 1st quarter (April to June 2008) >

Nippon Life (President: Kunie Okamoto) is proceeding with drastic reforms from the perspective of customers, aiming for management that prioritizes customers and ensures transparency, along with disclosing the “Status of claim & benefit payments” and “Number of customer complaints,” and “Status of Request System usage” quarterly since fiscal year 2006. The following pages show results for the 1st quarter (April to June 2008) of fiscal year 2008.

This press release includes the following contents.

1. “Status of claim and benefit payments” (See [pgs.2-4](#) for details)

- Policies for which payment was made, payment assessment results, number of cases for which it was determined that no payment was warranted
- Specific examples of policies deemed ineligible to receive payment

2. “Number of customer complaints” (See [pgs.5-6](#) for details)

- Number of customer complaints
- Examples of complaints and improvement measures

3. “Status of Request System usage” (See [pg. 7](#) for details)

- Volume of usage and details

1. "Status of claim and benefit payments"

□ During the 1st quarter of fiscal year 2008 (April to June 2008), Nippon Life made 19,979 payments of insurance claims and 172,027 payments of benefits.

In contrast, Nippon Life determined that the payment of insurance claims should not be made in 745 cases, and that payment of benefits should not be made in 2,436 cases.

【 Number of policies paid on】

	FY2008 1 st quarter (April to June 2008)	
	Claims	Benefits
Total	19,979	172,027

【reference】 FY2007 results

FY2007 1 st quarter (April to June 2007)	
Claims	Benefits
20,741	166,579

- ※1. The above represent the total for individual and group insurance policies upon which claims were filed.
 2. Figures do not include policies that require no payment assessment such as maturity benefits, survival benefits, single payments, annuities and other benefits.
 3. Regarding payments for group insurance underwritten by multiple companies, the figures include policies for which Nippon Life is the lead underwriter.

【Number of cases for which it was determined that no payment was warranted】

	FY2008 1 st quarter (April to June 2008)	
	Claims	Benefits
Cases of fraud	0	0
Benefit claim for illegal objectives	0	0
Cancellation of policies due to Nondisclosure	32	141
Cancellation due to serious matters	0	1
Categorized as an exemption	120	56
Not categorized as a reason for payment	593	2,238
Total	745	2,436

【reference】 FY2007 results

FY2007 1 st quarter (April to June 2007)	
Claims	Benefits
0	0
0	0
38	156
3	0
88	69
602	2,156
731	2,381

- ※1. The above represent the total for individual and group insurance policies upon which claims were filed.
 2. Figures do not include policies that require no payment assessment such as maturity benefits, survival benefits, single payments, annuities and other benefits.
 3. Regarding payments for group insurance underwritten by multiple companies, the figures include policies for which Nippon Life is the lead underwriter.

【Concrete examples of cases in which it was determined that payment was not warranted
(FY2008 1st quarter)】

Reason for denial of payment	Type of benefit	Concrete examples of denial of payment (summarized)
Cancellation of policies due to nondisclosure	Death benefit	Nippon Life received request for payment of death benefit for death due to "cardiac insufficiency," but as a result of confirming the facts, it was discovered that before coverage began there had been no disclosure of prior diagnosis of "diabetes and high blood pressure" and subsequent treatment. Also, a close cause and effect relationship was recognized between "cardiac insufficiency" and nondisclosure. As such, the death benefit was not paid and the policy was cancelled due to nondisclosure.
Categorized as an exemption	Hospitalization benefit	The insured suffered a broken right femur and patella due to a traffic accident where he hit an oncoming car that was turning right, and requested benefits for hospitalization and surgery. However, as a result of confirming the facts of the accident, it was found that the insured had been driving without a license. As such, it was judged that the accident occurred while the insured was driving without legal license to drive, so the case was categorized as an exemption and benefit was not paid.
Not categorized as a reason for payment	Serious disability claim	Nippon Life received request for serious disability insurance claim payment due to spinal cord damage. However, upon confirmation of the medical certificate, it was found that the insured could use chopsticks to eat, as well as use the bathroom, dress, stand up, walk, and bathe on his own with a normal range of movement. As such, the insured's condition did not apply to the policy terms and conditions for "medical condition requiring nursing care (eating, using the bathroom, dressing, standing, walking, bathing require the help of another person)," and serious disability insurance claim was not paid.

【Explanation of Terms】

Reasons for denial of payment	Content
Cases of fraud	Policies are rendered invalid in the event that fraudulent actions were taken by the policyholder or by the insured at the time when the policy was taken out. In such cases, premiums that have already been paid shall not be returned.
Benefit claim for illegal objectives	If a customer enrolls in an insurance policy with the intention of illegally gaining insurance benefits, said insurance policy could be invalidated. In such case, insurance premiums already paid shall not be returned.
Cancellation of policies due to nondisclosure	Policies may be cancelled in the event that the policyholder or the insured neglected to disclose important information that should have been disclosed, or disclosed false information at the time when the policy was taken out, whether intentionally or by gross negligence. In such cases, surrender benefits shall be returned to the policyholder.
Cancellation due to serious matters	Policies may be cancelled in the event that accidents are caused intentionally for the purpose of fraudulently obtaining insurance claim, or in the event of fraudulent acts, such as the falsification of diagnosis forms to support a request of payment. In such cases, surrender benefits shall be returned to the policyholder.
Categorized as an exemption	<p>Nippon Life may determine that the content of a claim falls in the category of an exemption under the terms and conditions of the policy.</p> <p>Examples:</p> <ul style="list-style-type: none"> • A claim for death benefits following a suicide by the insured during the prescribed non-payment period. • A claim for benefits following an accident caused intentionally by the policyholder or beneficiary or following an accident caused by the insured's criminal activities.
Not categorized as a reason for payment	<p>Nippon Life may determine that a claim does not qualify as a reason for payment under the terms and conditions of the policy.</p> <p>Examples:</p> <ul style="list-style-type: none"> • A claim for hospitalization benefits after a hospitalization of less than 5 days, while the terms of the policy attach a rider for hospitalization benefits in the event that hospitalization is for a period of 5 days or more. • A claim for surgical benefits following the removal of the tonsils, which does not fall into the category of procedures eligible for coverage.

2. "Number of customer complaints"

□ In the 1st quarter of fiscal year 2008(April to June 2008), customer complaints totaled 29,631.

(※)

【Number of customer complaints】

Content	FY2008 1 st quarter (April to June 2008)		FY2007 1 st quarter (April to June 2007)	
		% of total		% of total
Policy enrollment	3,720	12.6%	3,905	13.1%
Payment of premiums	4,078	13.8%	3,511	11.8%
Procedures after enrollment and dividends	8,776	29.6%	10,322	34.7%
Payment of insurance claims and benefits	4,899	16.5%	6,929	23.3%
Others	8,158	27.5%	5,087	17.1%
Total	29,631	100.0%	29,754	100.0%

※1. Nippon Life's definition of "complaint" is "an expression of dissatisfaction by a customer (regardless of fact relevance)."

2. The above show content and number at time of receipt.

【Concrete examples of complaints and improvements】

□ Items related to new policies

Example	When filling out disclosure forms, it is difficult to understand what information is needed and how it should be written. Nippon Life should make disclosure forms easier to understand.
Improvement	Based on customers' opinions and requests, Nippon Life revised the wording and layout of disclosure forms. (May 2008)

□ Items related to payment of premium

Example	The customer carried out the procedure for bank account transfer service, but did not finish in time to use the service in the same month. Nippon Life should provide an explanation about how time-consuming the procedure is.
Improvement	Nippon Life listed the fixed amount of time necessary to set up bank account transfer service in its "Guidance for Premium Payment Via Bank Account." (June 2008)

□ Items related to policy maintenance

Example	The customer tried to set up bank account transfer for repayment of policy loan, but the forms were difficult to understand and there was no contact information to address inquiries.
Improvement	Nippon Life revised the section regarding entering information in its "Guidance for Policy Loan Repayment Using Bank Account Transfer," and listed a telephone number for its Call Center. (April 2008)

□ Items related to claims and benefits

Example	The customer requested benefit, but it was necessary to confirm with the hospital, etc., so it took a long time to receive payment. Nippon Life should clearly explain how long it takes to receive payment at the time customers make payment requests.
Improvement	Nippon Life created a leaflet for distribution when payment request is received to explain to customers that some payments take longer due to confirmation with hospitals, etc., depending on the medical treatment and insured event. (June 2008)

3. "Status of Request System usage"

- FY2008 1st quarter (April to June 2008)
 - Cases where the "Request System" was used . . . 6
 - Cases where there was request for a re-assessment, and the Claim-related Services Review Session carried out a review . . . 4
 - Cases where as a result of review by the Claim-related Services Review Session, recommendations were received, and the assessment was modified. . . 0
- Content of "Request System" usage is as follows.

【Cases of "Request System" usage】

Type of request	Main content	# cases
Complaint regarding nonpayment of claim or benefit	Complaint regarding nonpayment of hospitalization benefit due to "criminal intent or gross negligence."	2
	Complaint regarding nonpayment of hospitalization benefit due to failure to be recognized as reason for necessary hospitalization.	1
	Complaint regarding nonpayment of hospitalization benefit for specified illnesses due to non-applicability of hospitalization reason.	1
	Complaint regarding nonpayment of serious disability benefit due to the disability not being directly caused by the event reported.	1
	Complaint regarding partial nonpayment of hospitalization benefit based on the fact that a second hospitalization was due to the same illness as the first hospitalization.	1

※Request System

Established in October 2006. Lawyers from outside the company listen to customer complaints and requests with a neutral stance, and explain about differences from the company's judgment from a legal viewpoint that takes into account laws and policy terms & conditions.

※Claim-related Services Review Session

Established in June 2006. Comprised of two lawyers from outside the company (different from the lawyers who provide consultation for the Request System) that serve as chairman and vice chairman at monthly meetings. Reviews the assessment of claim and benefit payments in cases where customer complaints have been received, and provides advice to payment-related departments.