

“Status of claim & benefit payments,” “Number of customer complaints,”
“Status of Request System usage”
(Fiscal 2007 2nd quarter (July to September 2007))

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”, “Number of customer complaints,” and “Status of Request System usage” quarterly since fiscal year 2006. The following pages show results for the second quarter (July to September 2007) of fiscal year 2007.

※ Fiscal year 2006 data was disclosed in “Nissay Annual Report 2007.”

This press release includes the following contents.

1. “Status of claim and benefit payments” (See [pgs.2-5 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.6-7 for details](#))

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

3. “Status of Request System usage” (See [pg. 8 for details](#))

- Volume of usage and reasons for usage

1. "Status of claim and benefit payments"

□ During the second quarter of fiscal year 2007 (July to September 2007), Nippon Life made 18,433 payments of insurance claims and 215,090 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 2,501 cases.

【Number of policies paid on】

	FY2007 2 nd quarter (July to September 2007)	
	Claims	Benefits
Total	18,433	215,090

FY2007 first half (April to September 2007)	
Claims	Benefits
39,174	381,669

【reference】 FY2006 results

	FY2006 2 nd quarter (July to September 2006)	
	Claims	Benefits
Total	20,108	150,507

FY2006 first half (April to September 2006)	
Claims	Benefits
41,558	301,477

- ※ 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】

Reasons for denial of payment	FY2007 2 nd quarter (July to September 2007)		FY2007 first half (April to September 2007)	
	Claims	Benefits	Claims	Benefits
Cases of fraud	0	0	0	0
Benefit claim for illegal objectives	0	0	0	0
Cancellation of policies due to nondisclosure	40	125	78	281
Cancellation due to serious matters	2	0	5	0
Categorized as an exemption	115	51	203	120
Not categorized as a reason for payment	588	2,325	1,190	4,481
Total	745	2,501	1,476	4,882

【reference】 FY2006 results

	FY2006 2 nd quarter (July to September 2006)		FY2006 first half (April to September 2006)	
	Claims	Benefits	Claims	Benefits
Cases of fraud	0	0	0	0
Benefit claim for illegal objectives	0	0	0	0
Cancellation of policies due to nondisclosure	51	210	101	424
Cancellation due to serious matters	0	6	0	6
Categorized as an exemption	121	57	253	112
Not categorized as a reason for	586	1,800	1,161	3,786
Total	758	2,073	1,515	4,328

- ※ 1. The above represent the total for individual and group insurance policies upon which claims were filed.
 2. Regarding payment 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 (FY2007 2nd quarter)】

Reason for denial of payment	Type of benefit	Concrete examples of denial of payment (summarized)
Cancellation of policies due to nondisclosure	Dread disease insurance claim	Nippon Life received request for dread disease insurance claim payment due to colon cancer, but as a result of confirming the facts, it was found that a detailed physical examination had been necessary due to a positive stool test prior to coverage period, and after that, disclosure was not carried out even though the claimant had visited the hospital and received medication. Also, a close cause and effect relationship was recognized between colon cancer as the reason for payment request and nondisclosure. As such, the dread disease insurance claim was not paid and the policy was cancelled due to nondisclosure.
Categorized as an exemption	Hospitalization benefit Surgical benefit	The insured suffered a right leg supracondylar femur fracture due to a traffic accident while driving, and requested benefits for hospitalization and surgery. However, as a result of confirming the accident, it was found that the insured had been intoxicated and neglected a traffic light. As such, the case was categorized as an exemption and benefit was not paid.
Not categorized as a reason for payment	Serious disability insurance claim	Nippon Life received request for serious disability insurance claim payment due to mobility impairment of the limbs and spine. However, upon confirmation of the diagnosis form, it was found that the insured could use chopsticks to eat, defecate/urinate normally on his own, as well as dress, stand up, walk, and bathe 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/defecating/urinating and cleaning up after those activities, 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 second quarter of fiscal year 2007(July to September 2007), customer complaints totaled 28,976. (※)

【Number of customer complaints】 (※)

Content	FY2007 2 nd quarter (FY2006 definition)		FY2007 1 st half (FY2006 definition)	
		% of total		% of total
Policy enrollment	4,027 (3,492)	13.9% (21.4%)	7,932 (6,925)	13.5% (21.0%)
Payment of premiums	3,346 (1,939)	11.5% (11.9%)	6,857 (4,096)	11.7% (12.4%)
Procedures after enrollment, dividends	10,167 (5,792)	35.1% (35.6%)	20,489 (11,737)	34.9% (35.6%)
Payment of insurance claims and benefits	5,227 (2,608)	18.0% (16.0%)	12,156 (5,947)	20.7% (18.0%)
Others	6,209 (2,451)	21.4% (15.1%)	11,296 (4,289)	19.2% (13.0%)
Total	28,976 (16,282)	100.0% (100.0%)	58,730 (32,994)	100.0% (100.0%)

【reference】 FY2006 results (※)

Content	FY2006 2 nd quarter		FY2006 first half	
		% of total		% of total
Policy enrollment	1,895	16.2%	3,595	16.1%
Payment of premiums	1,918	16.4%	3,662	16.4%
Procedures after enrollment, dividends	4,793	41.1%	9,440	42.2%
Payment of insurance claims and benefits	1,562	13.4%	2,903	13.0%
Others	1,497	12.8%	2,782	12.4%
Total	11,665	100.0%	22,382	100.0%

- ※ From December 2006, Nippon Life changed its definition of "complaint" to "an expression of dissatisfaction by a customer (regardless of factuality)" in order to obtain better understanding of customer opinions and dissatisfactions, aiming to actively utilize this information in business improvement measures.

(Until the end of November 2006, "complaint" was defined as "an item, from the expressions of dissatisfaction by customers (regardless of factuality), that requires some sort of response or action by the company")

During the second quarter of fiscal year 2007, there were 12,694 complaints that fit the new definition.

(Complaints in the second quarter of fiscal year 2006 did not include complaints under the new definition.)

From fiscal year 2007, Nippon Life changed the complaint categorization method from "time of resolution" to "time of receipt." The above figures are the aggregates as of October 10, 2007. Categorization method may be changed according to the process and results of handling customers.

【Concrete examples of complaints and improvements】

Items related to enrollment

Example	The customer received explanation of policy content at time of enrollment, but due to no follow-up explanations, the customer could not remember details on what insurance would be helpful in which circumstances. The customer would like to receive regular visitations.
Cause	Inadequate measures to regularly improve understanding of policy content.
Improvement	Policies are concluded after receiving adequate understanding of the policy summary, but to confirm the customer's understanding of policy content and reasons for payment during the policy term, approximately 50,000 sales representatives throughout Japan visit each policyholder. (full-scale since August 2007)

Items related to payment of premium

Example	The customer requested credit card payment of insurance premium, but was unable to pay by credit card after the first payment.
Cause	Premium payment by credit card is only available for the first payment.
Improvement	Continuous premium payment by credit card will be made available from January 4, 2008. [reference: August 10, 2007 News Release in Japanese] http://www.nissay.co.jp/okofficial/news/2007/20070810.html

Items related to procedures after enrollment and dividends, etc.

Example	The customer wanted to take a policy loan, and looked for the interest rate on the company homepage, but did not understand which rate applied to his policy.
Cause	The Nippon Life homepage shows interest rates according to policy year, but it is not clearly indicated which interest rates apply to which policy year.
Improvement	Nippon Life began an easily understandable service exclusively for policyholders that indicates interest rates according to policy year. (September 2007)

Items related to payment of claims and benefits

Example	Upon requesting hospitalization benefit for hospitalization due to cancer, the customer was later told to request dread disease insurance claim payment. The customer wanted to know why Nippon Life did not provide this information earlier.
Cause	Inadequately providing guidance for all requestable claims and benefits when receiving requests.
Improvement	A "Self-check sheet" was introduced to confirm if any other policies or riders are possible when requests are made for claims and benefits. (September 2007)

3. "Status of Request System※ usage"

- FY2007 2nd quarter (July to September 2007)
 - Cases where the "Request System" was used . . . 2
 - 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, recommendations were received, and the assessment was modified . . . 1

- Content of "Request System" usage is as follows.

【Cases of "Request System" usage】

Type of request	Main content	# cases
Complaint or request regarding nonpayment of hospitalization benefit	Complaint regarding refusal to pay benefit for hospitalization due to a reason other than that included in specified illnesses eligible for payment.	1
	Complaint regarding refusal to pay benefit for hospitalization due to an illness that began prior to enrollment.	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 gives notice to payment-related departments.