

UNOFFICIAL TRANSLATION

Although Japan Post Insurance pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

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Company name: JAPAN POST INSURANCE Co., Ltd.

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Stock exchange listing: Tokyo Stock Exchange First Section (Code Number: 7181)

Notice Regarding Further Enhancement of Customer-first Business Operations at the Time of Insurance Coverage Revisions and Other Situations

JAPAN POST INSURANCE Co., Ltd. (“Japan Post Insurance”; Chiyoda-ku, Tokyo; Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer), in cooperation with JAPAN POST Co., Ltd. (“Japan Post”), has been promoting the pursuit of customer-first business operations as one of its priority management issues, while addressing various issues including enhancement of the quality of the insurance solicitation process and measures for solicitation of elderly customers, such as having family members present.

Specifically, in April 2017, Japan Post Insurance formulated and announced its “Basic Policies for Customer-first Business Operations,” and has been implementing “Comprehensive Measures to Improve Solicitation Quality,” as part of a multilevel approach to enhance solicitation quality. In addition, pursuit of customer-first business operations is also upheld as one of the key strategies in the Medium-Term Management Plan, which started from the fiscal year ended March 31, 2019.

Under such circumstances, Japan Post Insurance is announcing that it will engage in initiatives, as per the attachment, to further enhance its customer-first business operations in situations such as those in which customers request a revision of their insurance coverage.

1. Issues associated with a revision of insurance coverage

In the case of long-term life insurance policies, it is generally not uncommon for a customer to revise the details of their insurance coverage, due to changes in customer needs and improvements of the insurance product. In such cases, customer needs may be met through additional applications for coverage or the addition of riders before maturity, as well as through a “policy conversion system,” under which the customer trades in the old policy and enrolls in a new policy.

In the case of Japan Post Insurance, which does not have such a policy conversion system, customers who require a revision of their insurance coverage may change the details of their insurance coverage by cancelling their old policies and enrolling in new policies (“rewriting the insurance policy”), from the perspective of the burden of premiums and other factors.

When customers enroll in a new policy through this system of rewriting the insurance policy, Japan Post Insurance ensures that the customer has fully understood the new policy before making the application, by comparing and explaining the details of the insurance coverage, premium amounts, assumed interest rates, etc. of both the old policy and new policy, using comparison tables of the old and new policies, as well as carefully explaining the disadvantages associated with policy cancellation, and other matters using documents such as “Precautions about Insurance Contracts” and “Information Calling for Attention.”

Furthermore, for policyholders aged 70 or older, Japan Post Insurance makes sure that family members are present at the signing of the policy, provides meticulous explanations regarding the product, and sends out the details of the contract in writing on a subsequent date, not only to the policyholder, but also to the family members, as well. Furthermore, Japan Post Insurance takes a multilevel approach to confirming the customer’s intention by sending the details of the contract to the registered family members, and providing a service whereby registered family members can also directly make inquiries with Japan Post Insurance.

However, when a survey was conducted on the applications received for insurance policy rewrites in November 2018 (approximately 21,000 cases), in which approximately 300 samples were taken from approximately 5,800 cases of insurance policy rewrites involving the same products, a number of cases were found in which it would have been possible to meet the needs for new riders through a switching of riders, rather than a complete

insurance policy rewrite.

Furthermore, cases were also found in which an application to undertake the new insurance policy was refused after it was rewritten (“rewritten insurance policy”), due to factors including the health status of the customer, as well as cases in which insurance payment was denied due to the rewritten insurance policy being canceled as a result of the customer having inaccurately declared his or her state of health at the time of application to undertake the rewritten insurance policy.

2. Initiatives relating to the rewriting of insurance policies

In an effort to further enhance customer-first business operations at the time of insurance coverage revision, with regard to cases discovered in and after April 2019, in which an application for undertaking a rewritten insurance policy was refused, in which insurance payment was denied due to cancellation of a policy as a result of a breach of the duty of declaration, and in which insurance payment was denied due to an illness which the policyholder had been suffering from before the commencement of coverage, Japan Post Insurance has dispatched investigative staff to visit the policyholders, reconfirmed the intention of the policyholders and their acknowledgment of the disadvantages, and based on this confirmation, has been reinstating the policy existing prior to the rewriting, and making insurance payments based on the reinstated policies.

Furthermore, Japan Post Insurance is taking similar measures in terms of customers to whom the following apply.

Applicable cases	Applicable period	Expected cases
Cases in which undertaking is refused at the time of rewriting of an insurance policy	Applications made between April 2014 and March 2019	15,800 cases
Cases in which, after the rewriting of an insurance policy, insurance payment is denied due to the cancellation of the policy, as a result of a breach of the duty of declaration	Applications made between April 2014 and March 2019	3,100 cases

As for cases in which proposals to switch riders would have sufficed (5,000 cases expected, in and after October 2017), the intentions of the customers will be similarly reconfirmed, and the policies will be amended according to those intentions.

In addition, Japan Post Insurance will take into account factors such as insurance coverage and premium amounts before and after the rewriting of insurance policies, and verify whether there are any cases in which a reconfirmation of the customer's intentions is required, and if necessary, take measures similar to the above.

Going forward, in order to avoid the occurrence of similar cases as a result of insufficient explanations regarding disadvantages and other matters, at the time of rewriting of insurance policies, Japan Post Insurance is working to make cancellation procedures for existing policies conditional upon the undertaking of rewritten insurance policies, and preparing to introduce a policy conversion system for revisions of insurance coverage.

3. Other measures for customers who have enrolled in multiple policies

Japan Post Insurance offers services that allow policyholders to confirm their enrollment status each year, through mailing of a "Notice of Policy Details," as well as "Feel Secure with Kampo" activities, in which post office employees visit the policyholders.

For customers who are enrolled in multiple policies, such as elderly customers, the payment of premiums may become an extreme burden. For such customers, Japan Post Insurance, starting from April 2016, has been engaged in initiatives in which it directly confirms the intentions of the customer, after he or she has applied for enrollment in a new policy at the post office. Furthermore, from April 2019, only customers whose intentions have been determined in advance by Japan Post Insurance will be able to proceed with application procedures.

Furthermore, starting from January 2019, Japan Post Insurance has commenced procedures in which customers who have been enrolled in multiple policies, regardless of whether or not applications have been made for new policies, will be visited by Japan Post Insurance employees, receive explanations regarding the status of their policies, and be required to reconfirm their intentions in the presence of family members.

Japan Post Insurance will expand these initiatives in stages, in order to ensure even more precise measures.

Going forward, Japan Post Insurance will further reinforce its cooperation with Japan Post and make companywide efforts to pursue customer-first business operations.