

# Business Activities

## ***Individual Insurance Marketing***

We are drastically reforming our sales personnel channel as part of our initiatives to thoroughly enhance customer satisfaction.

More specifically, in April 2008, we adopted the "Ease of Mind Service Program" to standardize the frequency of policyholder visits and service level in order to enhance communications with customers and make customer services more consistent. We also introduced a "Company Training Authorization System" for all sales personnel to reinforce education and training, and regularly confirm their knowledge and skill levels. As these programs gained momentum, we started calling our sales personnel "MY Life Plan Advisors" from November. Premised on their implementation of "Ease of Mind Service Activities" and their acquisition of knowledge and skills, we endeavored to stabilize our treatment of sales personnel. We also altered the focus of our operations management at regional offices and agency offices to emphasize operational processes such as "Ease of Mind Service Activities" and education and training implementation. We are also promoting regional marketing programs that clarify priority challenges according to the situation of in-force business in each region.

On the product side, we launched the "Kantan Kokuchi Iryo Hoken" (a medical insurance with a simple medical questionnaire) in response to a wider range of customers' medical coverage needs. We also started "Sub-Claimant Rider" to provide a more reliable insurance claims process. The policyholder can designate other claimant in advance in case the insured himself can't claim his benefit in special circumstances. Both were launched in April 2008 as part of our efforts to develop products that are easier to understand and give a greater sense of security.

## ***General Agent Marketing***

With regard to OTC sales at banks and other financial institutions, we launched individual annuity insurance in April 2008, and single premium increasing whole life insurance products (nursing care type)—the first nursing care assurance products designed in response to the total removal of the ban on insurance sales by banks and other financial institutions—in August 2008. The launching of single premium individual annuity insurance in March 2009 further strengthened our product line-up. At the beginning of fiscal 2008, we reorganized our marketing organization into three marketing departments depending on the type of financial institution we collaborate with, thus strengthening our support for sales activity in such institutions.

We continue to enhance new partnership agreements with corporate agencies and tax accountant agencies, we have also strengthened our sales support by reinforcing training for agencies. We have concluded an agreement with Japan Post Insurance Co., Ltd., and started selling Meiji Yasuda Life products for corporate customers through branches of Japan Post Insurance from June 2008.

# Business Activities

## ***Group Marketing***

We worked on raising customer satisfaction levels by strengthening our value-added service, such as "Health Improving Services" for supporting efforts to improve corporate and group welfare schemes, and reinforcing information service to policyholders through our call center. In connection with tax-qualified retirement pension plans, which will be abolished at the end of March 2012, we offer comprehensive consulting services in response to the varied demands of companies. We are also strengthening our marketing and support systems in order to provide powerful assistance for a quick and smooth transition to the new regime.

## ***Underwriting, Policyholder Services and Claim Payment***

We continue to allocate ample management resources— personnel, budgets and IT systems development—by prioritizing personnel assignments in this field and upgrading IT systems with a view to raising operational quality.

In fiscal 2008, we made an effort to provide operations and services that would better satisfy customers. In particular, we steadily renewed our back-office systems at our marketing offices throughout the country to enhance the speed and accuracy of our procedures, and revised our procedural documents so that customers would find them easier to understand and use.



## ***Asset Management***

We continued to adopt the concept of "surplus management-type ALM" as a means of strengthening our financial position. ("Surplus" refers to the difference between the values of assets and liabilities assessed by economic values (values consistent with market values, future cash flow, etc.). "Surplus management-type ALM" is defined as asset/liability management that thinks of this "Surplus" as a new capital concept and controls the fluctuation risk affecting the surplus.) Based on this concept, we endeavored to stabilize our surplus by prolonging asset duration (the average residual maturity of bondholdings, etc.) and by reducing stock holdings while curbing foreign currency risk in light of changes in the financial and economic environment.

Anticipating the revision of international accounting standards and solvency margin criteria, we took steps to sophisticate the methods used for measuring and assessing risk. These include continuous risk measurement based on economic value, which adds interest rate risk associated with insurance liabilities to investment risk.

To encourage a quick resolution to negative spreads and further enhance the soundness of our financial fundamentals, we are in the process of building up additional policy reserves over a period of three years from fiscal 2007 in respect of individual annuity insurance contracts concluded on or before April 1, 1996. In fiscal 2008, the reserves increased by ¥119.4 billion to ¥487.3 billion at the end of the fiscal year.

## ***Improving Customer Service***

From April 2008, we introduced the "Benefit Claim Check Sheet" at regional offices and agency offices to confirm every possible option to be claimed when we receive or deliver the documents for benefit claims. From June 2008, in order to make it easier for customers to submit claims, we started compensating the equivalent of the cost to obtain medical certificates in cases where it turns out claims for benefits, etc., are not eligible for payments. (This applies to claims received after April 1, 2008).

Once a year, we send policyholders the leaflet "Information from Meiji Yasuda Life" to provide information on the policy held by the customer. To make it easier to understand, we have revised the contents to provide better descriptions of contracts and improve our explanations of insurance and benefit claim procedures.

We made other efforts to increase convenience for customers. We have made steady progress since May 2008 in enabling users of Meiji Yasuda Life Cards to repay policyholders' loans or withdraw deposited benefits using ATMs operated by the Bank of Tokyo-Mitsubishi UFJ. From December the same year, we launched a service whereby a policyholder can pay renewal premiums through Internet banking tie-ups between Meiji Yasuda Life and certain financial institutions.

# Business Activities

## *International Insurance Services*

Meiji Yasuda Life has promoted its international insurance business in three core areas: international insurance, international insurance networks and international reinsurance with overseas insurance companies.

### *The United States*

Pacific Guardian Life Insurance Company, Limited ("PGL"), the largest life insurance company domiciled in Hawaii, is a wholly-owned subsidiary of Meiji Yasuda Life. It has been 33 years since Meiji Yasuda Life first participated in the operations of PGL, which provides life insurance to meet the needs of communities, mainly in Hawaii, the West Coast of the United States, Guam and the Northern Mariana Islands. In addition, Meiji Yasuda America Inc. offers insurance services for the products of associated insurers to Japanese affiliates in the United States, which has offices in New York and Los Angeles.

### *Europe*

Meiji Yasuda Europe Limited, which located in London, and our Frankfurt office provide information on local insurance and financial markets which contribute to the management of Meiji Yasuda Life.

### *Asia*

Hong Kong based Meiji Yasuda Asia Limited is doing insurance broking business in China (Hong Kong).

In addition, Meiji Yasuda Asia Limited works in cooperation with local insurance companies in Hong Kong, and controls the management of Mandatory Provident Funds (MPFs).

Meiji Yasuda Life also has offices in Seoul and Beijing and continues to enhance operations of those offices in the Asian market.

### *International Insurance Networks*

Several international life insurance company networks have been established in order to meet the group insurance and annuity needs of the overseas branches and subsidiaries of multinational corporations. Meiji Yasuda Life has joined two networks: All Net, administered by the Allianz Group, and the Swiss Life Network, run by Swiss Life. Through our cooperation with members of these networks, Meiji Yasuda Life provides insurance services for foreign owned multinational corporations.

### *International Reinsurance Business*

Meiji Yasuda Life entered the international reinsurance field in 1981. Since then, the company has assumed the reinsurance of life, accident and health insurance policies from major foreign insurance companies around the world.

## Risk Management

Meiji Yasuda Life believes that ensuring sound management and faithfully fulfilling contractual obligations over the long term are essential to create a "Company that Values its Customers." As the speed of change increases in the business environment, the need to accurately identify and appropriately manage the risk affecting the insurance business is becoming more crucial to ensure sound management.

We see risk management as one of the most important elements of business management. The Board of Directors, Management Council and various risk-management-related committees control risks in an appropriate manner by setting key risk management policies and regulations, and monitoring and analyzing risks on a regular basis.

In addition to managing risks according to the category (category-specified risk management), we have implemented a risk management system at each department.

Under category-specified risk management, we have set up a framework of Risk Management Sub-committees with responsibility for promoting risk management for each category. The sub-committees report to the Risk Management Committee, which serves as an advisory body to the Management Council and identifies and manages company-wide risks.

We also deploy risk management officers and managers at each department, primarily to identify and confirm the operational risk management situation. The Risk Management Control Department oversees the risk management situation for each department.

To enhance the effectiveness of risk management even further, the Auditing Department conducts inspections and the Audit Committee and Audit Corporation (external auditor) carry out audits to verify the appropriateness and effectiveness of a risk management system.

### Overview of the Risk Management System



# Business Activities

## *Promoting Compliance*

### **Promoting Compliance to Ensure Healthy and Appropriate Business Operations**

As a "Company that Values its Customers," Meiji Yasuda Life promotes CSR management that includes rigorous compliance, adopting the following initiatives to faithfully satisfy the expectations that customers and society make upon it as a life insurance company.

### *The "CSR Management Declaration," "Our Pledge," and Guidelines for Promoting Compliance*

In January 2007, we established the "CSR Management Declaration" which, among other things, states "We shall act with high ethical standards based on compliance, corporate ethics and common sense to be trusted by our customers."

We follow the "Code of Conduct" and "Job Performance Guidelines," which define our basic compliance policies and standards, and behavioral rules (ethical guidelines) for all officers and employees. We also have the "Sales and Service Policy" as a pledge to customers that we will conduct sales of products appropriately.

Since April 2008, all employees have been acting in accordance with what we call "Our Pledge," which is designed to encourage our awareness of compliance at a more personal level, and ensure it becomes more thoroughly embedded in our corporate culture.

These policies and rules have been inscribed on cards that officers and employees carry at all times and refer to constantly at meetings and training sessions. The "Compliance Manual," which covers business matters necessary for compliance in daily operations, is updated annually and all officers and employees refer to it regularly.

### *Promoting Compliance under the "Compliance Program"*

Meiji Yasuda Life promotes compliance through its action plan—the "Compliance Program"—which is drawn up each year. In fiscal 2009, we established and implemented the program at various levels—company-wide, head office, branch offices, and group marketing departments—through education and training aimed in each section to promote an autonomous PDCA (Plan, Do, Check & Act) cycle, to raise ethical and compliance awareness and to put it into action. These activities are reported through the Compliance Promotion Advisory Council for discussion by the Management Council and the Board of Directors.

### *Integrated Management of Compliance*

The Compliance Control Department is in charge of promoting compliance on a multilateral basis throughout the company, including subsidiaries, as follows:

1. Integrates management of compliance-related information, and investigates and responds to individual cases relating to compliance
2. Identifies improprieties and deals with issues
3. Runs compliance training courses for officers and employees on a regular basis

The Compliance Control Department promotes compliance in these areas in cooperation with compliance managers and officers deployed to each department. For greater effectiveness, compliance instructors are delegated to carry out direct guidance for improvements in the field. The senior managers in administration and internal control at branch offices and in group marketing departments are concurrently assigned to the Compliance Control Department to strengthen the checking and verification functions.

If fraudulent behavior occurs, it is reported to the Compliance Control Department through the compliance managers and officers of the departments in question. We also have a "Compliance Hotline" and a "Corporate Ethics Hotline" to allow people who discover such behavior to report directly.

We have established the Compliance Promotion Committee to review and improve compliance approaches in all aspects of operations, including those of subsidiaries.

We hold a Compliance Promotion Advisory Council with

a majority of external members in order to build a more transparent, more effective compliance regime by reflecting the opinions of external experts and strengthening the business monitoring function from a third-party perspective. Acting as an advisory body to the Management Council, the Compliance Promotion Advisory Council discusses basic policies, important regulatory revisions and the state of progress in compliance initiatives concerning compliance promotion.

## ***Contribution to Society***

### **Continuing Steady Contributions Aimed at Sound Society and Healthy Life**

#### ***"Fureai Concerts"***

We have been holding the "Fureai Concert" since 1984 to bring children with disabilities into contact with live music. The concert is funded by contributions from our officers and employees and features Torizuka Shigeki of The Wild Ones. It has visited 103 special needs schools around the country over the past 25 years.

#### ***"Able Art Onstage"***

The "Able Art Onstage" program allows people with disabilities the opportunity to express themselves through performing arts, and to discover new possibilities in the area of artistic expression.

Performances of theater, dance and music have been held at 34 locations throughout the country to date.

#### ***"Local Safety Maps"***

Since 2008, we have been running classes making "Local Safety Maps" with a view to promoting contributions to local communities through activities designed to protect the lives and safety of children. Involving the parents and children in the region, these classes teach children how to avoid dangerous places through lectures, field work and the creation of maps.

