

Payment of Insurance Claims and Benefits

Report on Business Improvement Plan Implementation Status

After being issued a business improvement administrative order by the Japanese Financial Services Agency with regards to additional insurance claims, etc. payment, we submitted a business improvement plan in August 1, 2008, and have issued six implementation status reports as of August 2011.

Taking the administrative order with utmost seriousness, all of the directors, officers and employees of the Company share the recognition that the role of an insurance company

is fulfilled when insurance claims and benefits are paid, and strive to take a customer-based viewpoint in establishing improvement measures and increasing their effectiveness. In order to become a company offering even greater peace-of-mind in the future, we will continue to work to make even greater and speedier improvements, implementing business improvement measures with a customer focus.

Overview of Business Improvement Plan Implementation Status

Improvement and Reinforcement of Governance Structure

■ Establishment of the Headquarters for Business Improvement Promotion and Reinforcement of Our Internal Systems for Monitoring Plan Effectiveness

Our business improvement promotion headquarters, established in order to promote company-wide initiatives, uses regular reports from payment departments, control departments involved in payment management, internal auditing departments, and committees that include external members, in monitoring the status and effectiveness of improvement measure implementation, and issuing further improvement orders, in order to strengthen the PDCA cycle for continuous improvement.

The Deliberation Committee for Claims Payment acts as a consultative body for the business improvement promotion headquarters, monitoring and assessing the effectiveness of the plan from a third-party perspective.

Improvement and Reinforcement of Internal Audit Structure, etc.

■ Enhancement of Operation Auditing by the Internal Audit Department

Members, primarily those of operation auditing department members well-versed in payment operations, perform highly-specialized auditing in the form of regularly implemented "theme-specific internal audits" of the company's claims payment systems. This operation audit looks at many individual

cases from a variety of perspectives, for a finely detailed verification of payment operations.

■ Strengthening of Control Functions by Payment Screening Office

The payment screening office controls payment departments through verification of payments and identification of missed payments. From FY2007 onwards, it has also carried out compensation request procedure customer surveys to help improve its claims payment operations. In the FY2010 survey, total compensation-related customer satisfaction reached 95.3%, a rise of 1.3 points versus the previous year.

Necessary Readjustment and Improvement of Preventative and Improvement Measures Regarding Missed Insurance Benefit Payments

We are steadily implementing our business improvement plan, working to establish a responsible and proactive system of providing notifications of claims and benefits which can be paid out when a claim is issued. We are also continuously revising and reexamining our business activities, taking into consideration the results from customer surveys, and the opinions of experts.

Specific Examples of Preventative and Improvement Measures

■ Creating a System in Which It Is Easy for Customers to File Claims

For claims in or after April 2007, Dai-ichi Life has issued compensation for the cost of medical certificates (a flat 5,000 yen payment) in cases where, as a result of payment screening, it

has been determined that payments cannot be issued, in order to widely encourage the issuing of claims by customers, and promote the issuing of claim notifications by the company. As a result of this initiative, we have issued approximately 34,000 payments for the procurement of medical certificates as of April 2011.

■ Payment Operation Improvement Project

In order to prevent new non-payment incidents from occurring, in accordance with our business improvement plan, we have focused our efforts on bolstering our payment management structure, while investigating and responding to contracts with past claims.

We have also taken advantage of the progress we have made with various improvement measures and the opportunities presented by our efforts to enhance consumer protection to start up the Payment Operation Improvement Project within the Claims Department in April, 2010. The project's aim is to look back on our past efforts from a customer perspective and offer payment services whose quality exceeds those of the services we have offered in the past, further improving the quality of our claim notification activities.

■ Readjustment and Streamlining of Product Line

In January 2011, in order to improve the ease with which our product line can be understood by customers, together with the launch of specialized medical care insurance products, we also ceased sales of 3 of our primary products, 2 of our add-on riders for new policies, and 4 of our add-on riders for existing policies.