

Expert Opinion

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In this year marking the 110th anniversary of its founding, Dai-ichi Life has set forth its aspiration of “passing on peace of mind.” Normally in a corporation, to maintain consistency in its operation, all related division heads gather, hold discussions, and develop a strategy based on the direction put forth by company executives. This is essentially a top-down approach. However, Dai-ichi Life’s phrase “passing on peace of mind” does not have such a feel to it. I’m sure all parties involved had many discussions before finally agreeing on this phrase. But I did not sense any strategic slant to it when I heard it. Why is that? I think Dai-ichi Life’s management attitude and philosophy are condensed in the answer.

In 1923, soon after its founding, Dai-ichi Life experienced the Great Kanto Earthquake. Normally, insurance companies are excused (indemnified) from paying insurance benefits when natural disasters, such as earthquakes and tsunamis, kill a large number of people. This is a legal measure that prevents a situation in which a large number of insurance companies would go bankrupt at once. However, Dai-ichi Life chose not to take indemnification at that time. Based on a belief that it is exactly when a major event occurs that it must carry out its mission as an insurance company, it took the bold step of paying full life insurance benefits for deaths caused by the earthquake. The social philosophy called “libertarianism”¹, which has been gaining popularity primarily in western countries, demands that companies (stock corporations) pursue profit above all else while following the rules of competition. According to this philosophy, Dai-ichi Life’s action strayed very far from what would be required of a libertarian².

In 2010, Dai-ichi Life demutualized its company structure.

On March 11 of the following year, one of the largest earthquakes in recorded history with a magnitude of 9.0 and an ensuing tsunami struck Eastern Japan, devastating towns and cities along the Pacific Ocean. Although Dai-ichi Life had already completed demutualization by this time, it did what it believed in and fulfilled its mission, without being swayed by a libertarian philosophy, i.e., without resorting to indemnification.

This meant that many of Dai-ichi Life’s employees had to run around checking on the safety of policyholders and arranging for insurance benefit payouts. These activities, however, provided employees who had been too busy with day-to-day operations and had never been directly involved in the original role of life insurance with an opportunity to contemplate the significance of life insurance and helped them feel proud of their work. Dai-ichi Life expressed the sense of awakening that emerged among many of its employees with the phrase “passing on peace of mind.” This must be why I did not sense any strategic intent in this phrase.

If I were to make a request of Dai-ichi Life, I would like the company to remember this determination not only following disasters but also during ordinary times. I would like it to continue to thrive globally as a company that rises above libertarianism. I hope Dai-ichi Life will, through its actions, prove that taking actions with societal benefits in mind can actually lead to greater profits for shareholders.

1. Libertarianism: Philosophy that places the utmost importance on freedom, values free market competition highly, and tries to minimize the government’s role in restricting it
2. Libertarian: Person who advocates libertarianism

Response to Expert Opinion

This “Dai-ichi Life DSR Report” marks the 110th year since the founding of our company. For this year’s report, we revised the content to focus on our original role of “passing on peace of mind,” which is our company’s social responsibility. We described the initiatives taken by all company officers and employees over the course of the past year toward the goal set out in our Group Vision, including the actions we took following the Great East Japan Earthquake of 2011.

I am glad to receive the valuable feedback from Professor Taka, including his suggestion that our company take action with societal benefit in mind, even during ordinary times. We will continue to hold “passing on peace of mind” as the shared aspiration of our entire Group, and utilize this spirit in further promoting DSR management so that we are able to meet the expectations of all our stakeholders.



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Response to FY2011 Expert Opinion

In last year’s Expert Opinion, Professor Norio Souri pointed out that we must create and implement various processes in order to enhance communication with stakeholders. We have described the status of our DSR management and reported on the actions we have taken since then regarding

the four main elements of our group vision, “Thinking People First.” Additionally, information that could not be included in this report is provided on our website, which lists all of our initiatives.