

OLIS 2010 Spring – Seminar Report

Thursday, June 17

Regulation on Life Insurance (Naoto Fujishita, Life Insurance Association of Japan)

Mr. Fujishita talked about from the standpoint of consumer protection laws and regulations pertaining to life insurance including Insurance Business Law, Consumer Contract Act, Law on Sales of Financial Product, Financial Instruments and Exchange Act, Insurance Law, etc., along with reform of financial system, changes in consumer administration, etc.

About the Insurance Business Law, he explained its characteristics as insurance supervisory act and insurance corporation law, major contents, drastic revisions in 1995 and its background. He took up *material items* and *information calling for attention* explicitly stated in the guideline issued in 2005 to offer the product that truly suits customer's needs. As for the explanation of material items, he pointed out that excessive information is provided for customers and it becomes difficult for them to understand insurance products.

Mr. Fujishita explained key points of the Financial Instruments and Exchange Act widely applied to cope with new financial service and major revisions of the Insurance Law revised after 100 years and enforced in April this year.

Participants asked a question about composite companies, entry restriction of foreign insurers, role of Life Insurance Association of Japan, etc. He mentioned that mutual entry between life and nonlife companies through subsidiaries is permitted and that life insurance companies may sell products of nonlife insurance companies as their agency.