



# **OLIS 2014 Spring Seminar**

# **Independent Agency Channel and Customer Protection**

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1. Key Message

2. IA Channel Overview

3. IA Business Model in Gibraltar Life



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What is Customer Protection?



To pay insurance benefit certainly



To increase policies which continue over the long term

# Essentials for Successful IA Business

To increase policies which continue over the long term

Healthy business growth

Volatility control of business volume

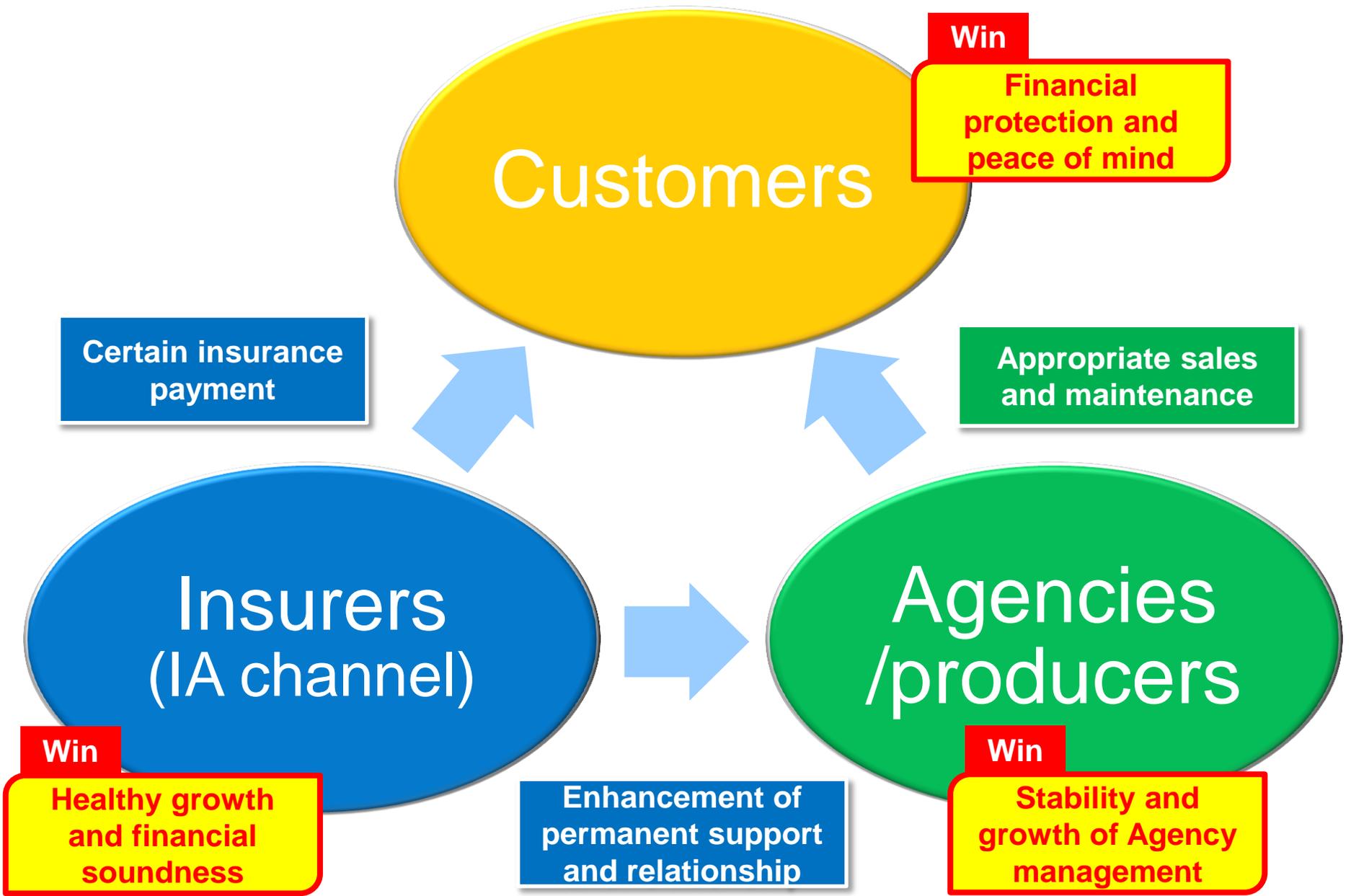
Securing business quality by selecting agencies and regular assessment against registered agencies

Balanced channel management

3-Win relationship with Customers, Independent Agents and Insurers

Permanent support for agency management and permanent enhancement of relationship with producers

# 3-Win Relationship





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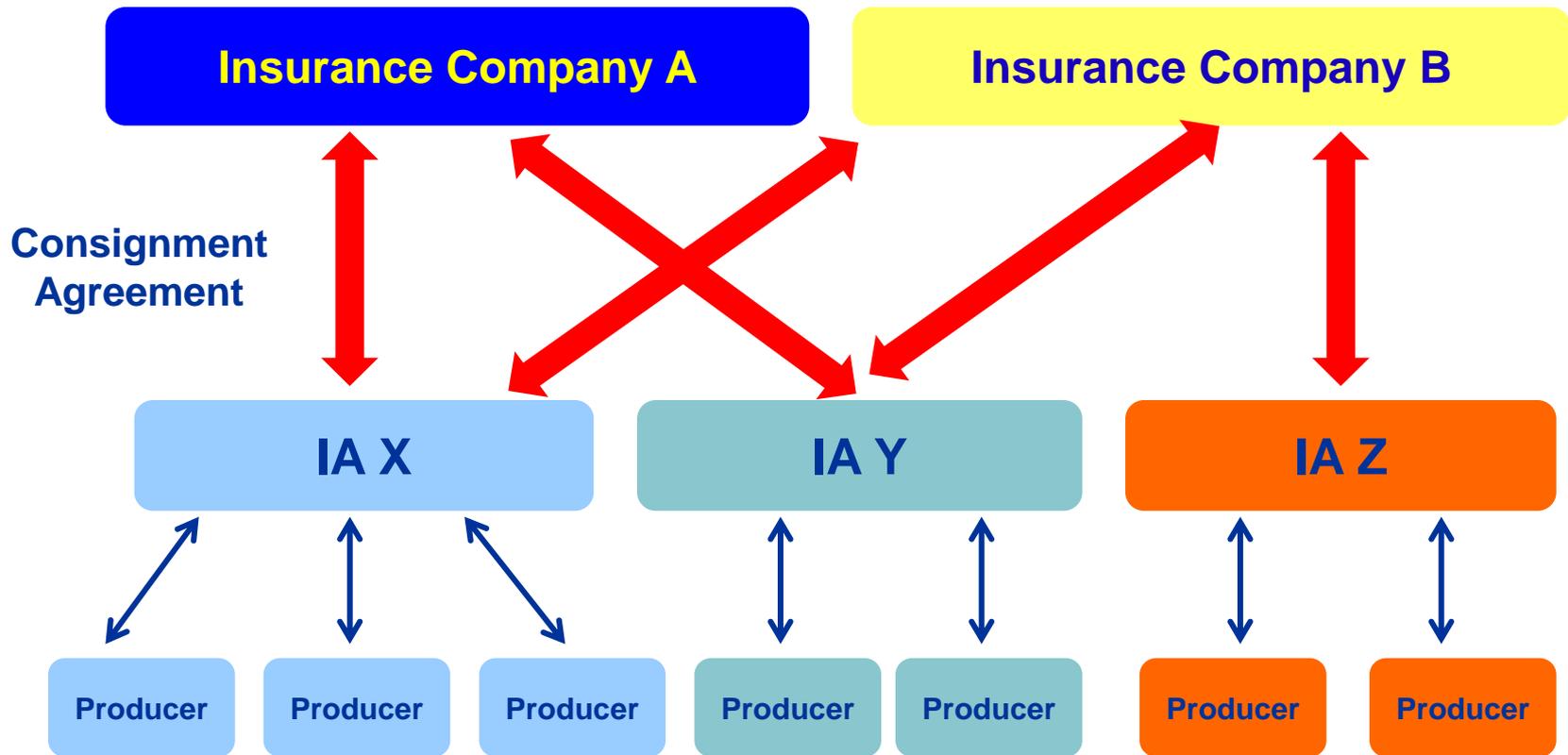
- ✓ Japanese General IA Channel Model
- ✓ Variety of Independent Agents
- ✓ IA Business Market
- ✓ Products in IA Business
- ✓ Independent Professional Agent

# Japanese General IA Channel Model

Independent agencies can have agreements with two and more insurers on conditions as required by Insurance Business Law.

License of insurance sales is entitled to independent agencies. (not producers)

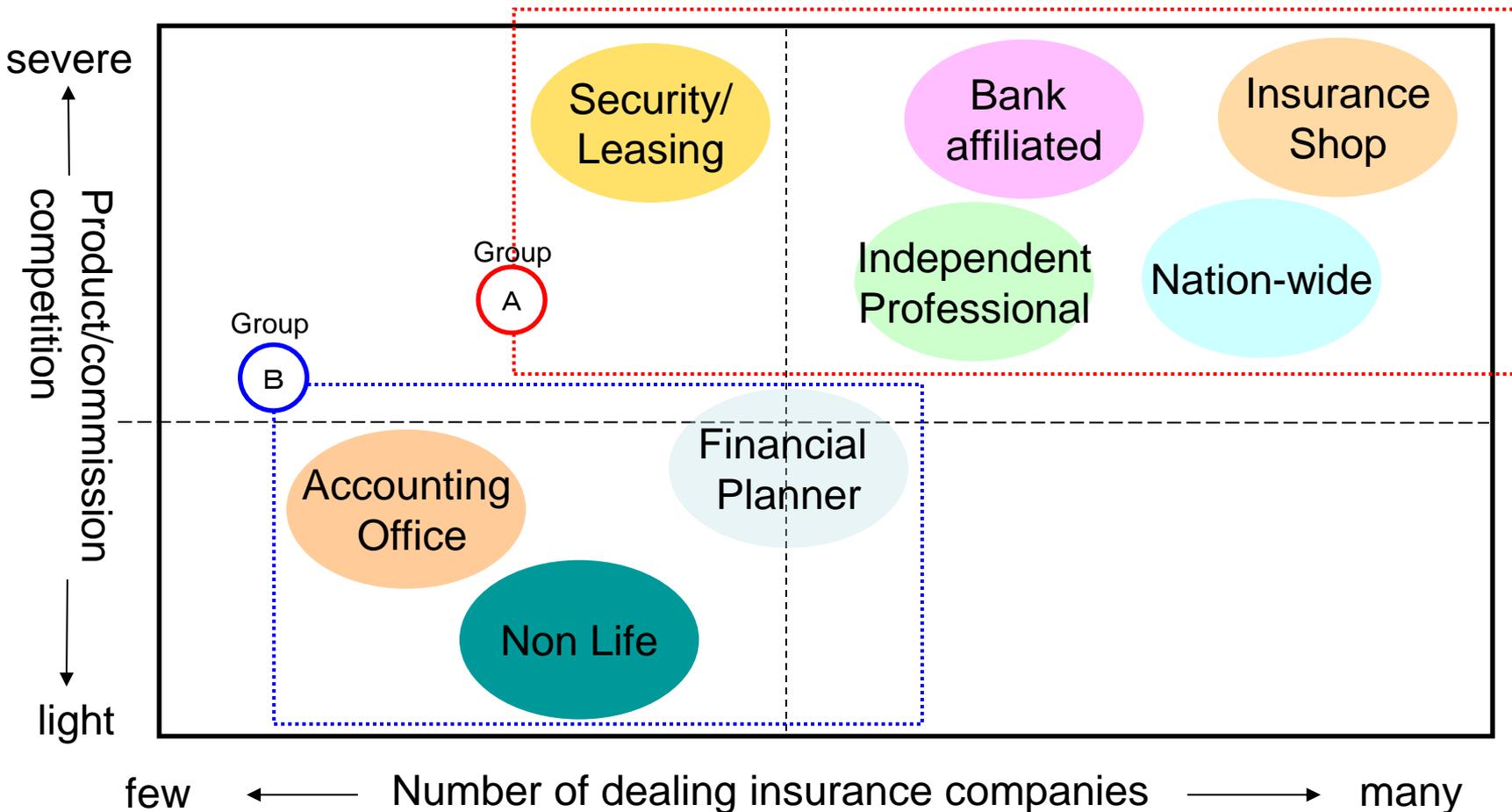
Producers must belong to one independent agent.



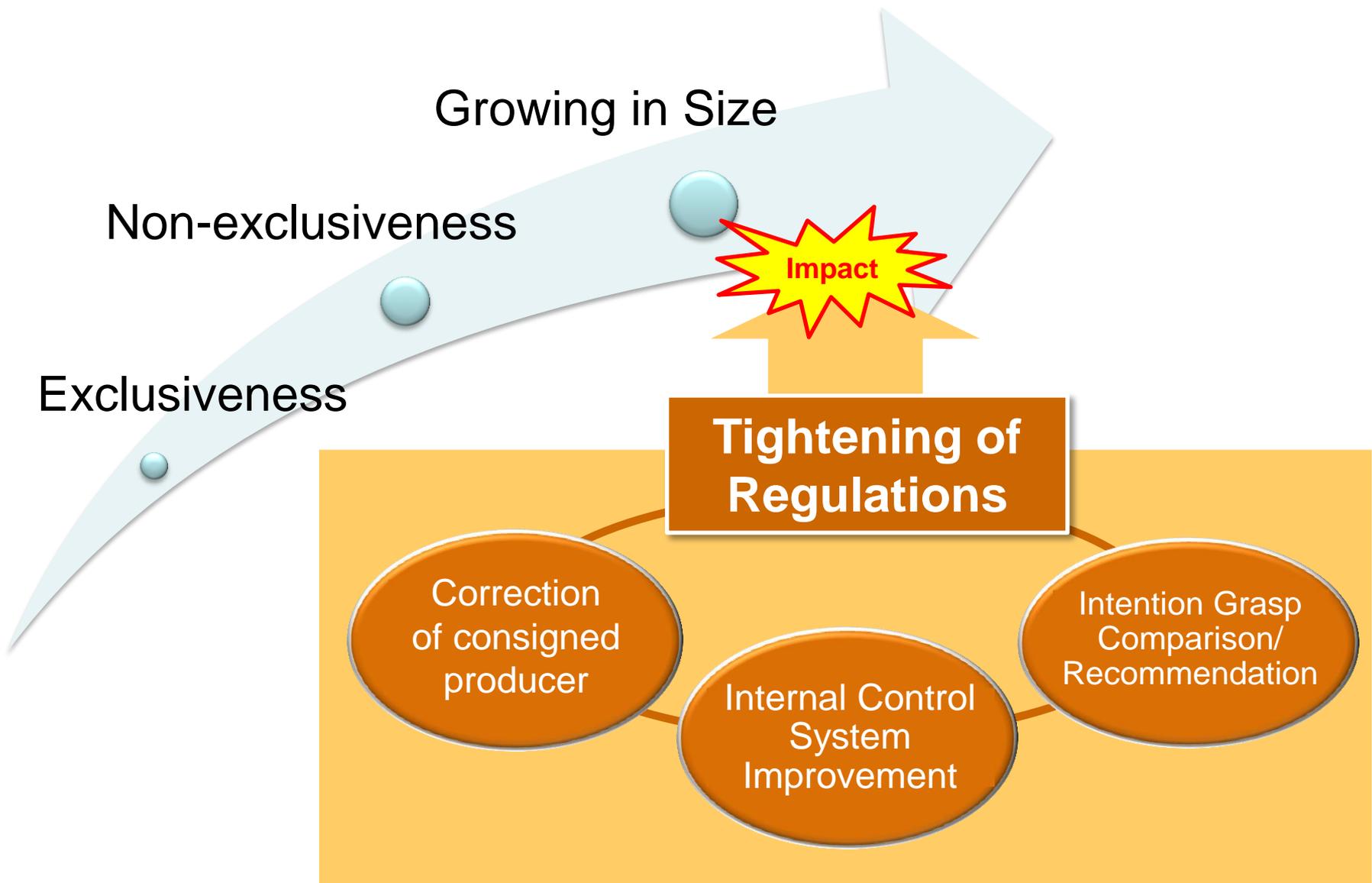
# Variety of Independent Agents



Independent agencies contain various channels and each one has their own characteristics. Therefore, we need products and support system that are suitable for agencies' characteristics and their customers.



# Independent Professional Agent





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- ✓ Business KPI and Goal
- ✓ Basic Role of MR/SR
- ✓ Consignment Scheme with Agencies
- ✓ Products and Commission
- ✓ Channel Organization and Operation
- ✓ Compliance and Risk Management
- ✓ Differentiation (Value Proposition)



Business KPI as follows

- a. AP (annualized new business premium)
- b. Operating Producers/agencies
- c. Productivity of MR/SR, Producers
- d. Expense
- e. Head Count
- f. Expense/AP ratio ( $d \div a$ )
- g. Product Mix (individual or SME product)
- h. Persistency Rate

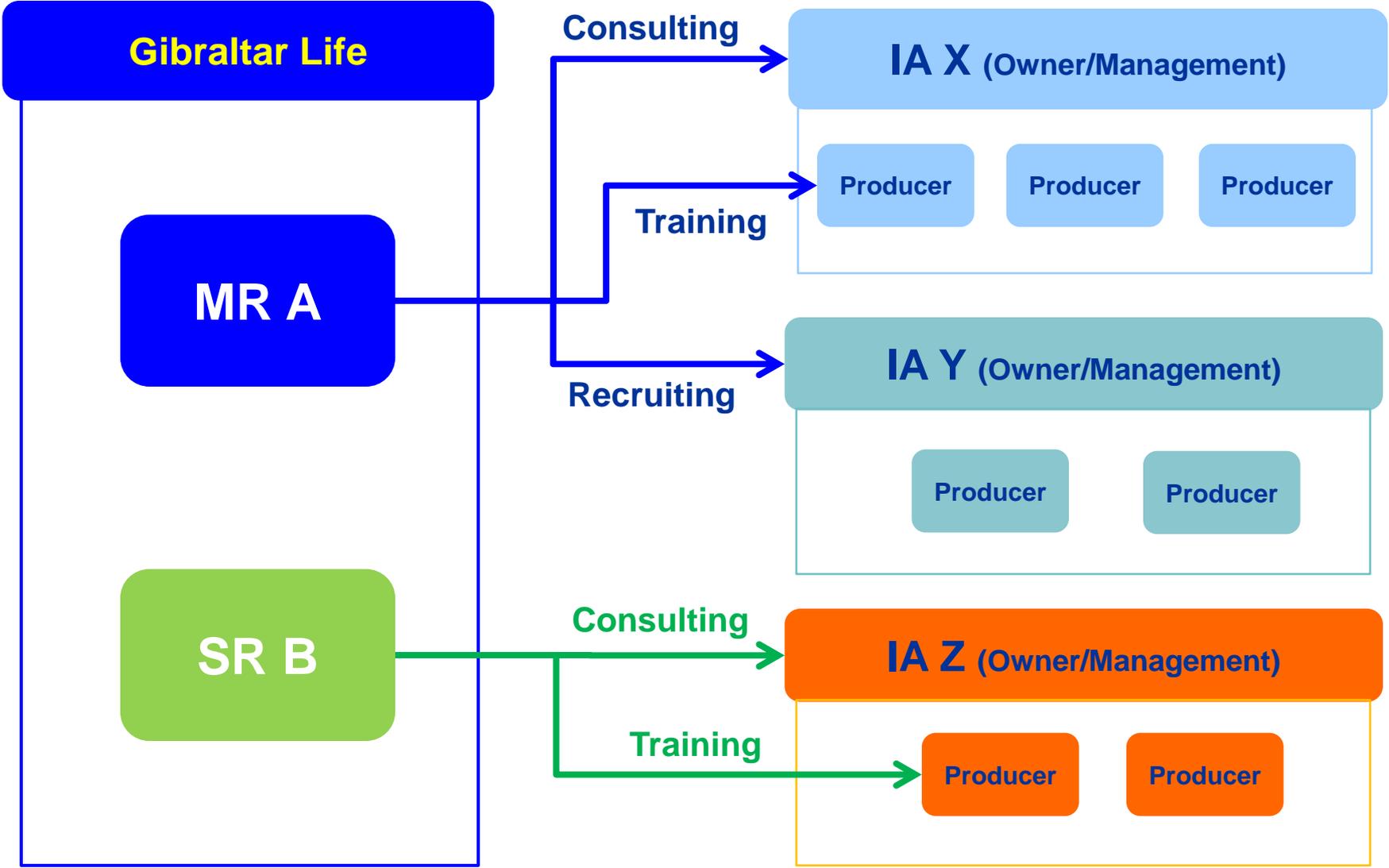


**Based on the vision of Gibraltar,**

- **Positioned as one of the top IA companies**
- **Retained admirable advantages for excellent agents**
- **MR/SR<sup>(\*)</sup> are the center of the strategies**

**(\*)MR = Market Representative, SR = Sales Representative**

# Basic Role of MR/SR



# Consignment Scheme with Agencies

Before consignment communication, IA channel asks for understanding of Prudential's Core Values to agencies.

- *Worthy of Trust*  
信頼に値すること
- *Customer Focused*  
顧客に焦点をあわせること
- *Respect for Each Other*  
お互いに尊敬しあうこと
- *Winning*  
勝つこと



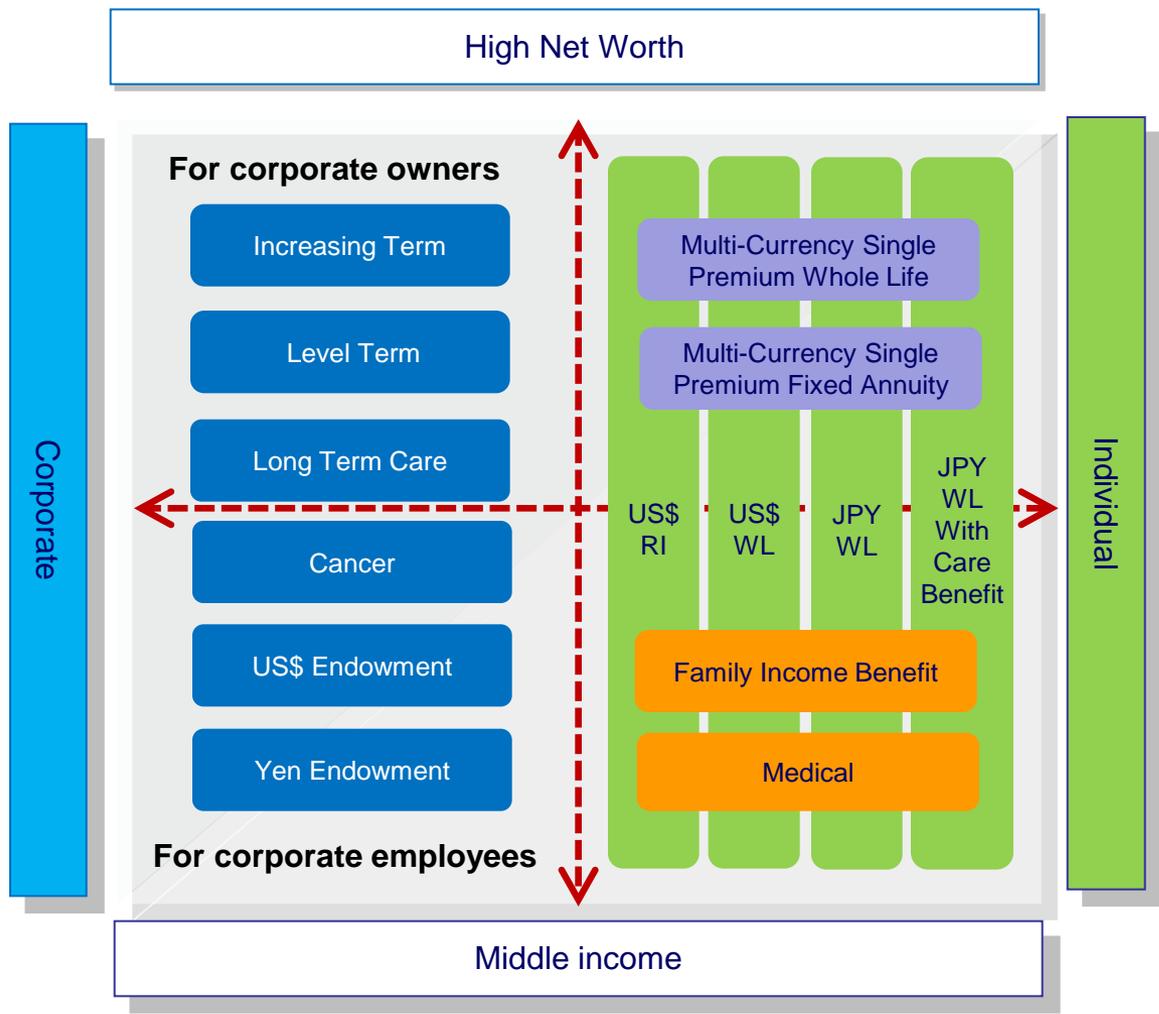
# Consignment Scheme with Agencies

Selection of agencies and regular assessment as follows

Class	In charge of	Standard (yearly)
<b>A-class</b>	MR (Face to face)	①AP 3MM yen or ②AP1.5MM yen and 6 operation months and ③Persistency rate 85%
<b>B-class</b>	SR (by telephone)	①AP500 thousand yen and ②Persistency rate 75%
<b>Termination</b>	Agencies below the above standards	



Well-balanced product portfolio mitigates the risks of over competition.



# Product Branding



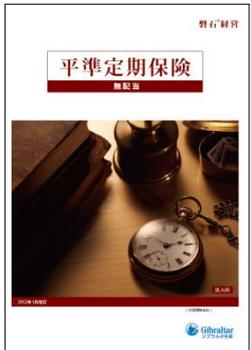
➤ For Corporate (SME\*)

## 磐石<sup>®</sup> 経営

Cancer



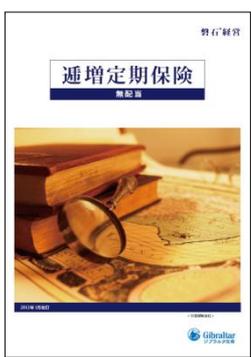
Level Term



US\$ Endowment



Increasing Term



➤ For Individual

## 自分らしい人生 + Make the Best of Your Life +

US\$ Whole Life



MC SPWL



US\$ Whole Life



US\$ Whole Life



US\$ RI(Retirement Income) MC Fixed Annuity



MC Fixed Annuity



Lump-sum Medical



US\$ RI(Retirement Income)



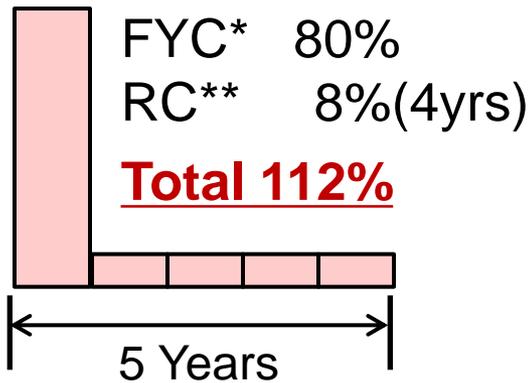
\*SME = Small and Medium sized Enterprise)

# Commission

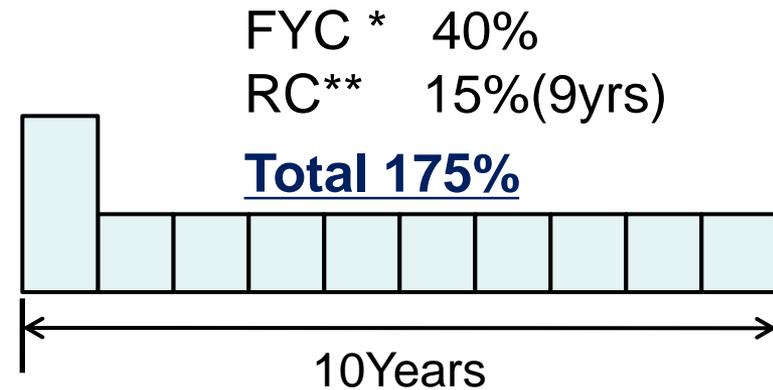


Unique commission strategy itself makes a difference

## Competitors



## Gibraltar

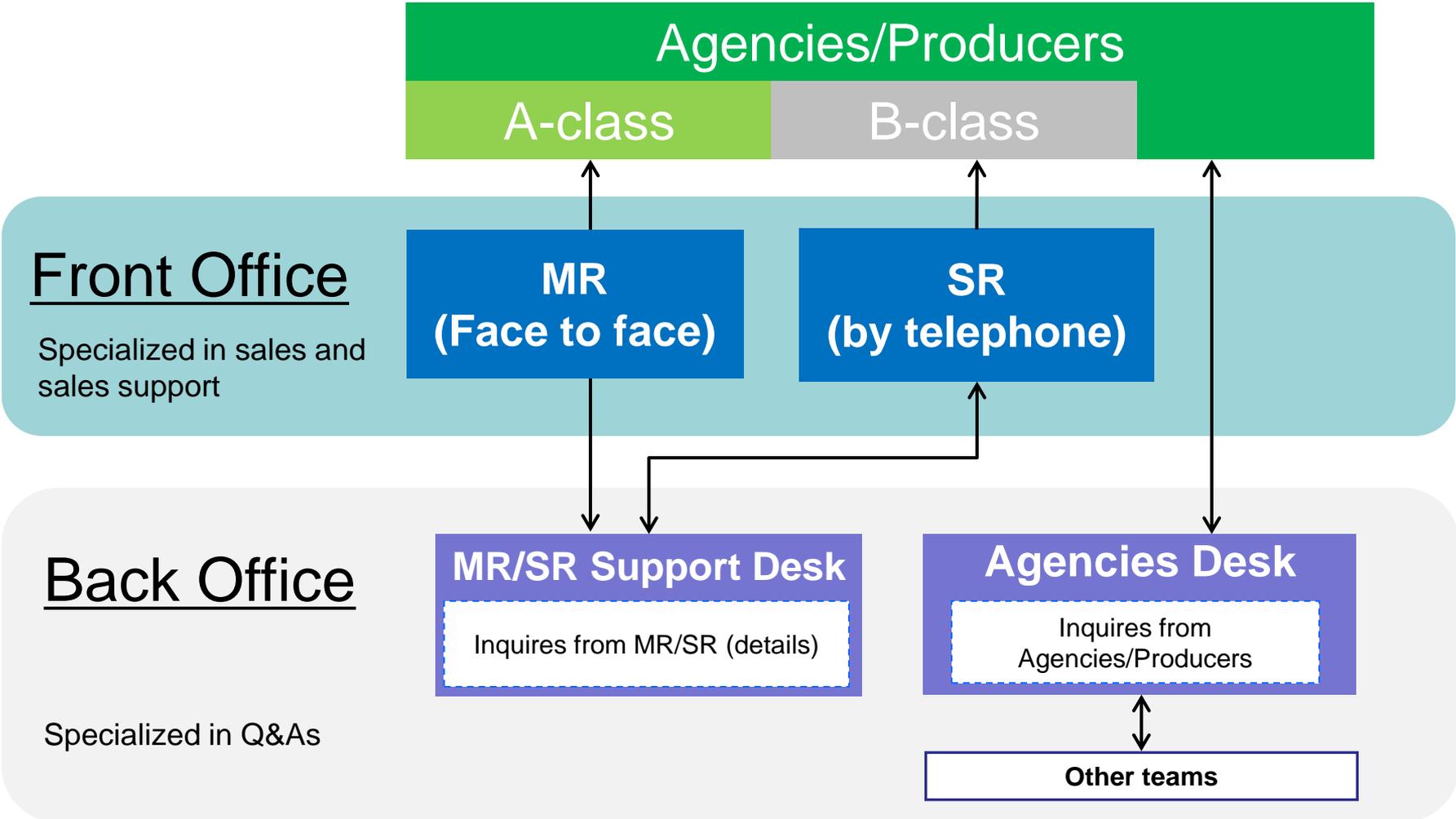


\* FYC = First Year Commission

\*\*RC = Recurring Commission

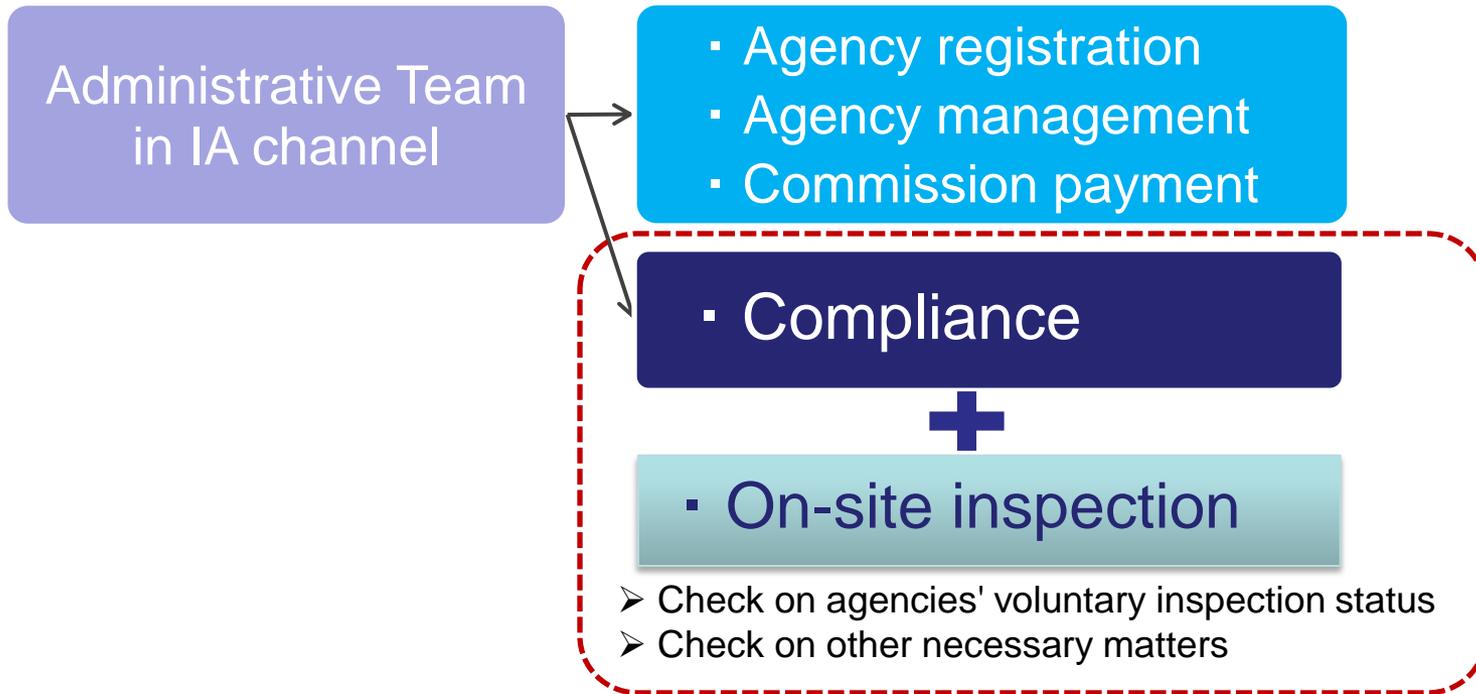
# Channel Organization and Operation

From a standpoint of effectiveness and efficiency, we have promoted the optimization of Gibraltar organization and relationship between A-class and B-class agencies.

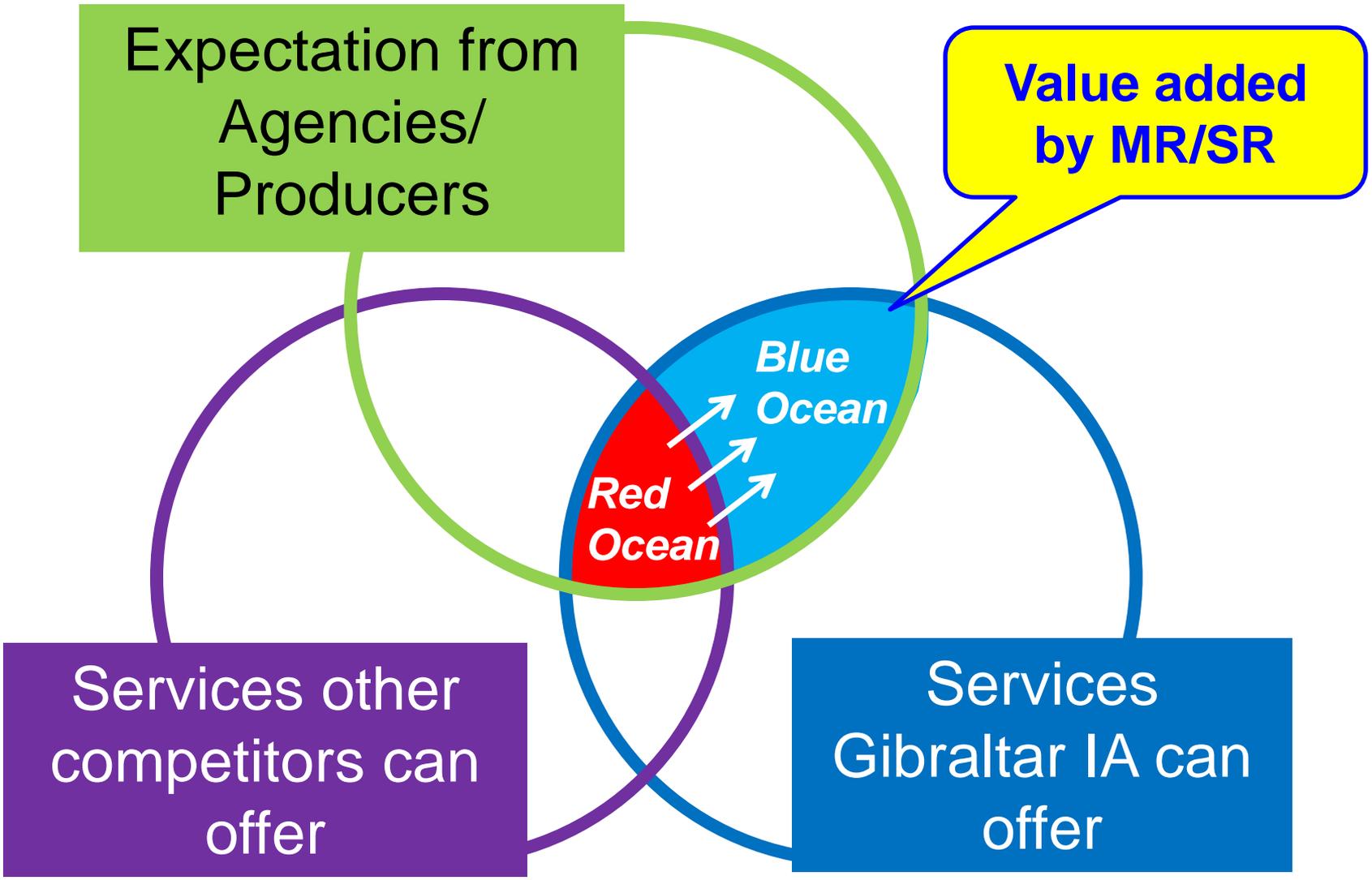




IA channel has established a “on-site inspection unit” in Administration Team of IA channel to check on registered agencies’ internal risk control and compliance level. The inspection unit visit/inspect agencies.



# Differentiation (Value Proposition)





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