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co-op 共済

Year Ended March 20, 2019

ANNUAL REPORT

2019

Japan CO-OP Insurance Consumers' Co-operative Federation

Year Ended March 20, 2019

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Expand the circle of "Tasukeai" to everybody

What we cherish is the heart of mutual cooperation
when someone in trouble (=Tasukeai).

We will continue to expand
the circle of "Tasukeai" so that
many people can be supported.

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The official name of our organization is
Japan CO-OP Insurance Consumers' Co-operative Federation,
commonly abbreviated as JCIF.

Year Ended March 20, 2019

1. Visions of CO-OP Insurance

Through CO-OP Insurance and the mutual assistance of CO-OP members, we are aiming to help improve livelihoods of members, develop consumer co-operatives, promote the cooperative movement and enrich our society, focusing on covering economic loss caused by various risks in members' livelihoods.

1

We will offer insurance products that suit members' needs with more reasonable premiums and better coverage.

2

We will promote communication between members and CO-OP employees, and encourage a spirit of mutual aid among members.

3

We will enhance the social credibility of consumer co-operatives by the stable and efficient management of the insurance and the expansion of the insured.



4

We will offer members the opportunity to learn about insurance and help them acquire the ability to select the insurance that suits them most.

5

We will strive to address the problems of aging population with declining birthrate, health and welfare, and contribute to society by social welfare activities, disaster activities and others.

○ 2. Message from the President ○

Japan was hit by a range of disasters last year, including the earthquake centered on northern Osaka in June 2018, the torrential rain in western Japan in July, the Hokkaido Eastern Iburi Earthquake in September, and a number of severe typhoons. I extend my sincere condolences to those affected by the disasters and pray that the deceased may rest in peace. We have paid visits to our policyholders affected by the disasters as a way to convey the spirit of mutual aid extended by policyholders nationwide, and have devoted our efforts to pay out insurance benefits and disaster relief money to them in a prompt and fair manner. We would like to express our deepest gratitude and respect to everyone who kindly provided us with support.

Let me outline our business conditions in fiscal 2018, by the end of which the number of policyholders for seven CO-OP Insurance products exceeded 8.8 million. During the fiscal year, we paid out a total of 67.3 billion yen in insurance benefits (102.7% of the previous fiscal year) to 1.35 million insurance claimants. *Platinum 85* launched in 2017 was redesigned in September 2018 to make available the optional coverage of advanced medical treatment. We have been receiving much positive feedback from policyholders of this insurance product for people aged 65 and above on how pleased they were to be able to maintain their coverage despite their age.

Furthermore, during fiscal 2018, the final year of the three-year CO-OP Insurance Medium-term Business Plan 2018, we steadily executed our business plan, while discussing our next three-year plan to be implemented from 2020 along with our action plans for 2019, as well as looking ahead to the formulation of our CO-OP Insurance Long-term Vision 2030. In addition, under our Health Improvement Support Project commenced in 2017, we provided a total of 240 million yen to support health promotion activities undertaken by 45 co-ops (49 programs) in fiscal 2017 and 2018 combined. With the aim of helping CO-OP Insurance policyholders and co-op members promote their health and fitness, we will continue making efforts to spread this health promotion scheme across consumer co-operatives nationwide.

In fiscal 2019, we intend to further our deliberation on our Long-term Vision 2030. Lively discussions will be held on the CO-OP Insurance Medium-term Business Plan 2022, which will translate the long-term vision into concrete terms, and toward a resolution at the fiscal 2020 annual conference.

This annual report mainly covers our business conditions for CO-OP Insurance in fiscal 2018. I hope that this report will help you deepen your understanding of our business and CO-OP Insurance products.

We are determined to continue making concerted efforts to ensure that our member households enjoy safe and secure lives through our operations by tackling various issues in close cooperation with member co-ops nationwide.

We appreciate your continued understanding and support for CO-OP Insurance.

Toshiaki Wada
President
Japan CO-OP Insurance Consumers'
Co-operative Federation (JCIF)





3. Topics of FY2018



Optional coverage of advanced medical treatment now available in *Platinum 85*

In response to *Tasukeai* policyholders' demand for optional coverage of advanced medical treatment after expiration at age 65, we made the optional coverage available for *Platinum 85*, which we recommend as a replacement for *Tasukeai* when policyholders reach 65.



Co-sponsoring para-Nordic ski World Cup

JCIF supported the 2019 World Para Nordic Skiing World Cup Sapporo held from March 12 through 17, 2019 as a title sponsor.

The Japanese Consumers' Co-operative Union (JCCU) has been sponsoring the Para Nordic Skiing Japan Team since 2006 with co-ops nationwide. Inspired by their support, we joined in the sponsorship this year.

The competition attracted 61 skiers from 13 countries, who displayed outstanding technique and gave robust performances, delivering both dreams and inspiration. Through our sponsorship, we hope to help create local communities where everyone can live with peace of mind and achieve an inclusive society.





4. Financial Highlights

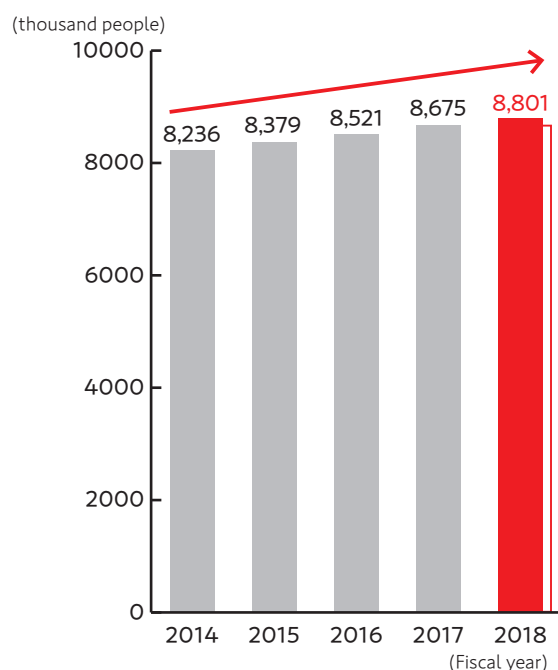


Fiscal 2017 and 2018	JPY Million ※ 1		USD Million ※ 2
	2017	2018	2018
Ordinary income	¥219,660	¥225,541	\$2,020
Ordinary expenses	¥170,417	¥177,797	\$1,592
Ordinary surplus	¥49,243	¥47,743	\$427
Net surplus	¥10,224	¥8,766	\$78
Total assets	¥389,773	¥421,662	\$3,776
Total liabilities	¥255,320	¥279,457	\$2,502
Total capital	¥134,452	¥142,205	\$1,273
Number of policies total	8,675,084	8,801,512	-
Number of policies (JCIF products only)	8,248,177	8,374,294	-
Total amount of insurance in force (JCIF products total)	¥122,99 (billion)	¥124,36 (billion)	\$1,11 (billion)
Solvency margin	1299.7%	1367.3%	-

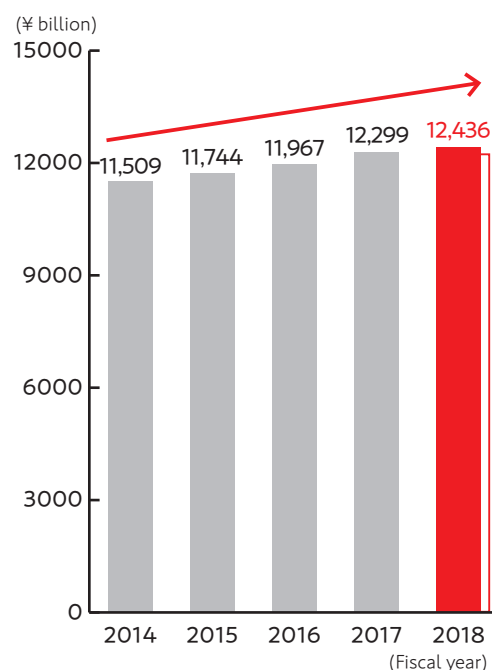
※ 1. Yen amounts are rounded down to the nearest ¥1 million.

※ 2. U.S. dollar amounts are converted, for convenience only, at ¥111.65=US\$1.00 (as of March 20, 2019) and rounded down to the nearest \$1 million.

■ Numbers of total policies



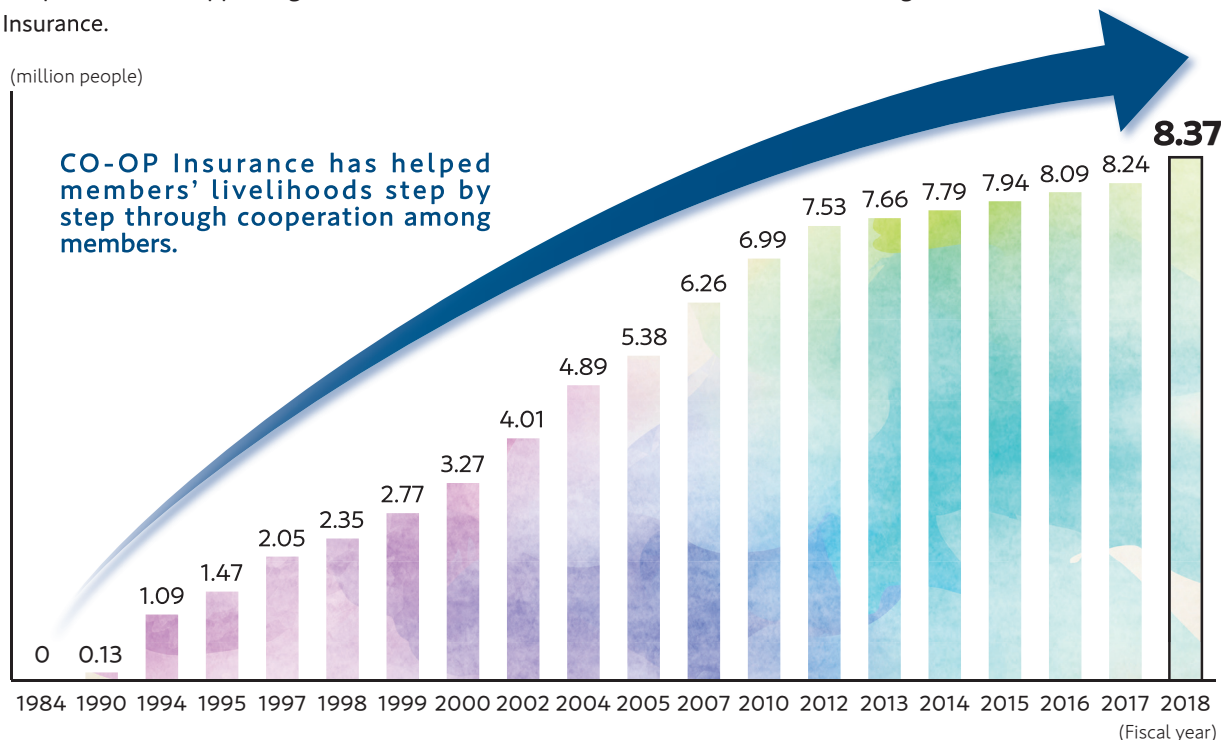
■ Total amount of insurance in force (JCIF products total)



5. Business Overview of CO-OP Insurance for Fiscal 2018

■ Changes in the Number of Policyholders

In 1984, CO-OP Insurance *Tasukeai* started providing an insurance coverage of one million yen for death and of 20,000 yen for inpatient care for a premium equivalent to the price of a cup of coffee, followed by term life insurance named *i-Plus* in 2000 and whole life insurance named *Zutto-i* in 2011. As a result of these efforts, the number of policyholders in JCIF products who contract with us reached 8.37 million in March 2019. The spirit of mutual cooperation for supporting each other's future has been carried on without change since the launch of CO-OP Insurance.



Overview of the financial results of the CO-OP Insurance business is as follows:

■ Policyholders as of the end of Fiscal 2018 totaled **8.8 million**

When broken down by product, *Tasukeai* policyholders increased by 308 from the previous year to 5,916,575, *i-Plus* policyholders increased by 71,506 to 1,905,249, *Zutto-i* policyholders increased by 54,303 from the previous year to 552,470, CO-OP Fire Insurance policyholders increased by 1,519 to 402,372, and CO-OP Life Insurance *new-i.i.* policyholders decreased by 1,208 to 24,846. Total number of policyholders reached 8,801,512 by the end of fiscal year of 2018.

■ Policies in force totaled **¥12.43 trillion**

CO-OP Insurance has a total of ¥12.43 trillion in policies in force (JCIF products only), an increase of 1.1% from the previous year.

■ **1.35 million** payments made

CO-OP Insurance made a total of 1.35 million payments (JCIF products only), an increase of 2.0% from the previous year.

■ Premiums totaled **¥192.3 billion**

CO-OP Insurance has a total of ¥192.3 billion in premiums (JCIF products only), an increase of 2.7% from the previous year.

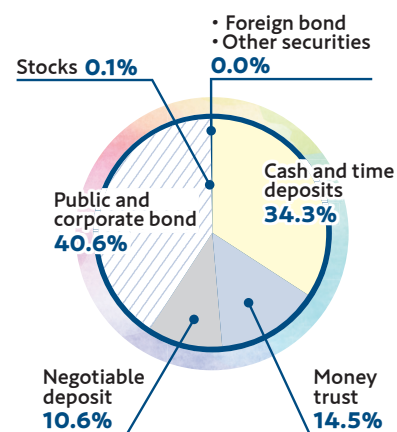
■ Total claims paid amount to **¥67.3 billion**

CO-OP Insurance paid a total of ¥67.3 billion for insurance claims (JCIF products only), an increase of 2.7% from the previous year.

■ Asset Management

■ Investment Assets

Fiscal Year	JPY Million ※ 1		Composition ratio(%)	USD Million ※ 2
	2017	2018		2018
Cash and time deposits	¥121,761	¥132,718	34.3%	\$1,188,696
Money trust ※3	¥55,647	¥55,966	14.5%	\$501,262
Negotiable deposit	¥29,000	¥41,000	10.6%	\$367,218
Public and corporate bond	¥150,703	¥157,226	40.6%	\$1,408,204
Stocks	¥255	¥255	0.1%	\$2,283
Foreign bond	0	0	0.0%	0
Other securities	0	0	0.0%	0
Total	¥357,367	¥387,166	100.0%	\$3,467,675



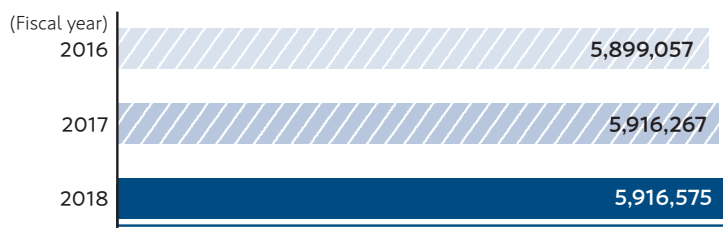
※ 1. Yen amounts are rounded down to the nearest ¥1 million.

※ 2. U.S. dollar amounts are converted, for convenience only, at ¥111.65=US\$1.00 (as of March 20, 2019) and rounded down to the nearest \$1 million.

※ 3. Money held in trust are transferable warranty deposits.

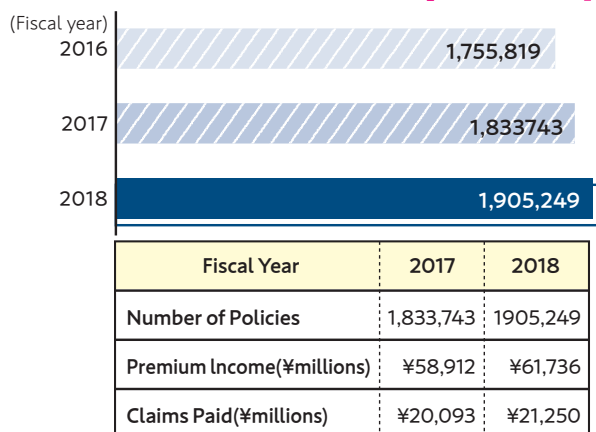
■ CO-OP Insurance Business Overview by Product

Tasukeai

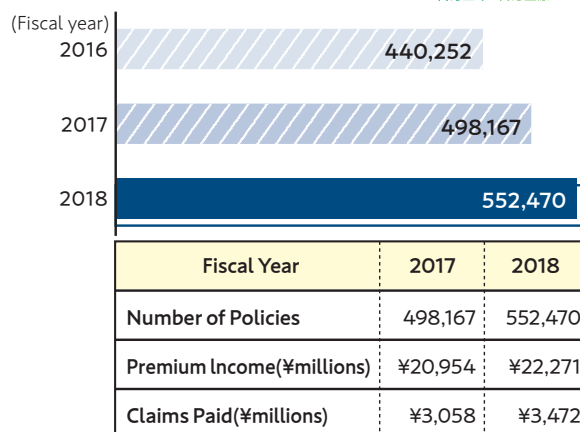


Fiscal Year	2017	2018
Number of Policies	5,916,267	5,916,575
Premium Income(¥millions)	¥106,223	¥107,023
Claims Paid(¥millions)	¥42,413	¥42,628

i.-Plus



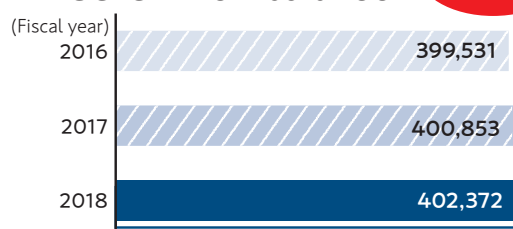
Zutto-i.



New i.i.



CO-OP Fire Insurance





6. Outline of JCIF



■ About consumer cooperatives (Co-ops)

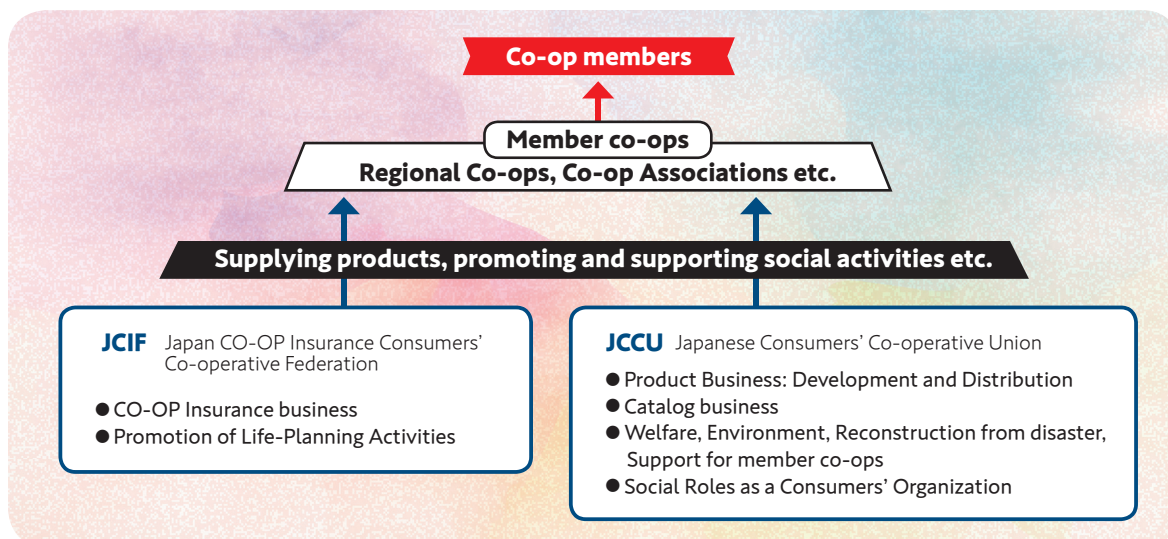
Consumer cooperatives (Co-ops) are non-profit cooperative organizations jointly owned by consumers for their mutual benefit, and are established pursuant to the Consumer Cooperatives Act. Consumers provide capital to become a member of a co-op and participate in the decision-making and management of the organization with the aim of achieving a better life.

Co-ops engage in a wide range of activities including supplying merchandise through delivery and at stores; offering mutual aid, medical care, and welfare services; hosting mutual support programs among members; and providing educational programs on everyday life.



■ JCIF, Co-op and JCCU

Our organization is a federation of 153 consumer cooperative societies from across the nation. Although each member Co-op is an independent legal entity, each provides CO-OP insurance to its members in cooperation with the federation. The JCIF was established to take over and specialize in all mutual insurance businesses previously conducted by our member Co-ops.



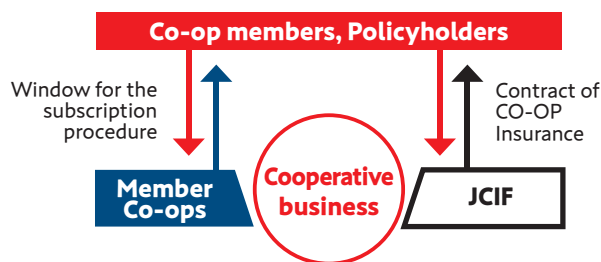
■ Roles of Member Co-ops and JCIF

The JCIF works to enhance our relationship with member Co-ops by fulfilling the requirements of our specified role and acting cooperatively to achieve our common goals.

Member Co-op

"Window for CO-OP Insurance"

The main business of member Co-ops of JCIF is retail (providing home delivery service and operating store). Each member Co-op acts as a service window for the subscription procedure and also provides information on CO-OP Insurance. In addition, each member Co-op works to support its members by offering insurance products responding to a range of needs.



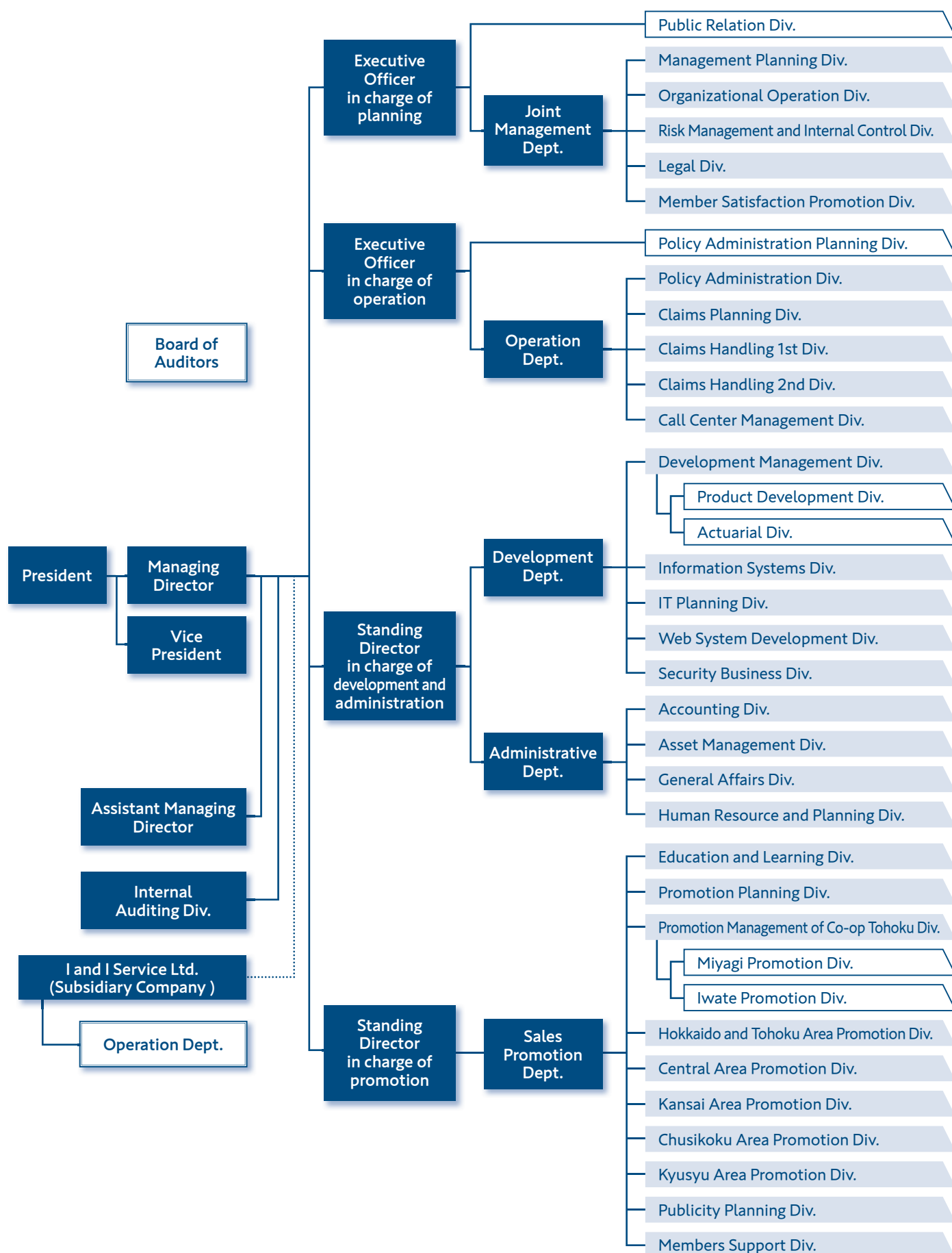
JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation)

"The JCIF developing products in response to the needs of its members and others"

As well as developing insurance products, the federation receives premiums, undertakes procedures related to the payment of insurance claims and provides administrative support services to member Co-ops. It also provides consulting services and responds to complaints.

*Each of the three federations of consumer cooperative societies which share responsibilities as a contract underwriter has a dual role as member Co-op and federation of CO-OP Insurance.

Structure of JCIF (as of 17th of June, 2019)



7. Types of CO-OP Insurance

CO-OP Insurance *Tasukeai* Medical Insurance



This insurance provides comprehensive coverage for outpatient care due to accident, hospitalization, surgery, death, disability, members' death of the insured, and damage to residences caused by fire or other perils. It is designed to meet the Co-op members' demands for coverage that is essential to their daily lives at a reasonable premium.

There are four plans; plan for children, plan for women, plan for medical coverage and plan for both medical and death coverage.

CO-OP Insurance *Zutto-i.* Whole Life Insurance



This insurance provides coverage for lifetime hospitalization, surgery and death.

There are 2 types. One is a whole life insurance which covers lifetime death. The other is a whole medical insurance which covers lifetime hospitalization and surgery.

CO-OP Fire Insurance



This insurance provides coverage against damaged residences caused by a wide range of perils including fire, lightning, explosion, aircraft or vehicle crashes into residences, windstorm and flood, flooding from a third party residence, unexpected damaged from a third party and earthquakes etc.

CO-OP Insurance *i.-Plus* Term Life Insurance



This insurance simply provides coverage for death, which can add special coverages for cancer, hospitalization, and surgery of the insured. The maximum sum insured is ¥30 million in death benefits at a reasonable premium. Added coverage is available by combining *i.-Plus* with *Tasukeai*. The contract term is 10 years and the premium varies according to the age and sex of the insured.

Coverage may be extended until the member reaches the age of 85.

i.-Plus Platinum 85



Platinum 85, launched in September 2017, is an insurance product available for people aged 65 to 70, continuously covering inpatient treatment and death until the age of 85. Its coverage does not change from the time of contract to its expiration. Optional coverage for medical operations and death can also be added as needed.

CO-OP Life Insurance New *i.i.* Life Insurance



Basic plan that provides coverage for death with the rebate plan can be matched up with medical coverage and women's health coverage. The contract term is renewable after five years with the option of a rebate after the five years. Coverage may be extended until the member reaches the age of 80.

Direct and Indirect Insurance Products Offered

CO-OP Insurance offers direct and indirect insurance products. In direct insurance contracts, JCIF as a contract underwriter is responsible for collecting insurance premiums and paying insurance benefits. We offer four direct insurance products :CO-OP Insurance *Tasukeai*, CO-OP Insurance *i.-Plus*, and CO-OP Insurance *Zutto-i* (Whole Life Insurance and Whole life Medical Insurance).

CO-OP Insurance also provides indirect insurance products in the areas beyond the coverage of its direct insurance products, in alliance with Kokumin Kyosai co-op ※1, property and casualty insurance firms, etc.

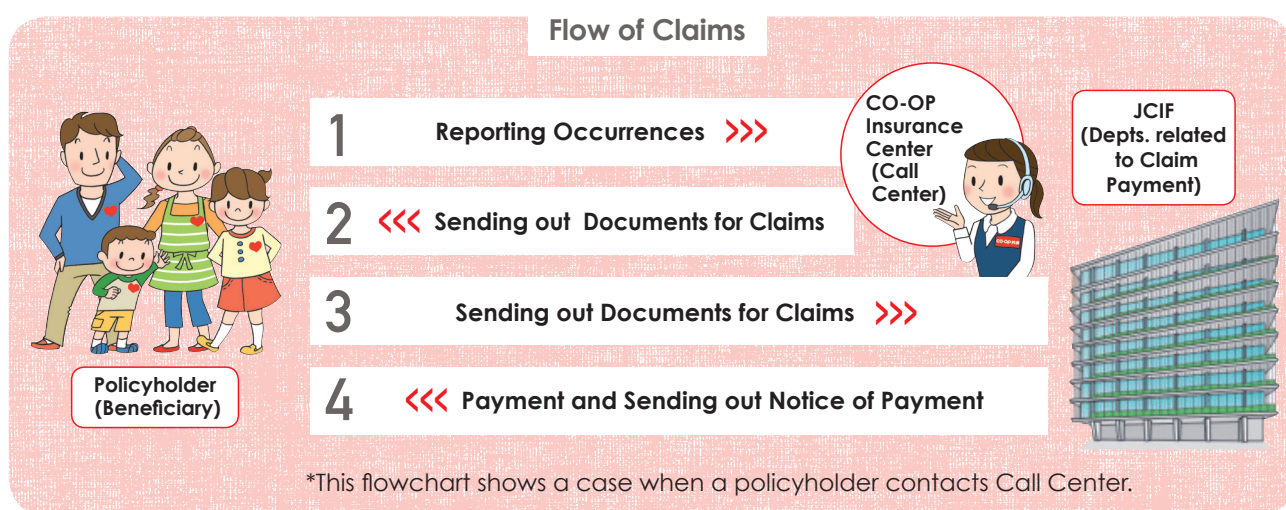
※1. In CO-OP Insurance contracts, each contract underwriter is individually responsible for insurance coverage according to the scope of its underwriting, instead of sharing responsibility.

8. Payment of Claims

Payment of Claims

Payment of claims, excluding that for CO-OP Fire Insurance, is made by JCIF via member Co-ops or the CO-OP Insurance Center (Payment of claims for CO-OP Fire Insurance is made by Kokumin Kyosai co-op). Upon receiving a claim request, we check the contract details, ask the policyholder for details about the request and then send necessary materials. CO-OP Insurance values swift and efficient payment procedures from the viewpoint of policyholders. For example, basic information is printed on documents for claims in advance, and some procedures are simplified depending on the claim detail and amount.

CO-OP Insurance shortens the time from reception of a claim request to payment in order to enhance policyholder's satisfaction.



Relief Money to Victims of Devastating Disasters

In the CO-OP Insurance plans, *Tasukeai*, *i.-Plus*, *Zutto-i*. and *i.i.* policyholders receive Relief Money in accordance with the CO-OP Insurance Regulations on Devastating Disaster Relief Money.

These regulations were made with the aim of providing a token of our sympathy to victims of devastating disasters. CO-OP Insurance offers special assistance in accordance with the magnitude of natural disaster. In the event of a devastating disaster, JCIF ensures a certain amount of payment swiftly so that it could alleviate a burden on a policyholder as much as possible.

Enclosing Origami Cranes with Documents for Claims



When sending claimants necessary documents for claiming insurance benefits, CO-OP Insurance encloses origami cranes made by Co-op members around the country. This activity originated around 1992, when Co-op staff in charge of insurance in Nagano Prefecture began to enclose origami cranes with such documents to express their sympathy.

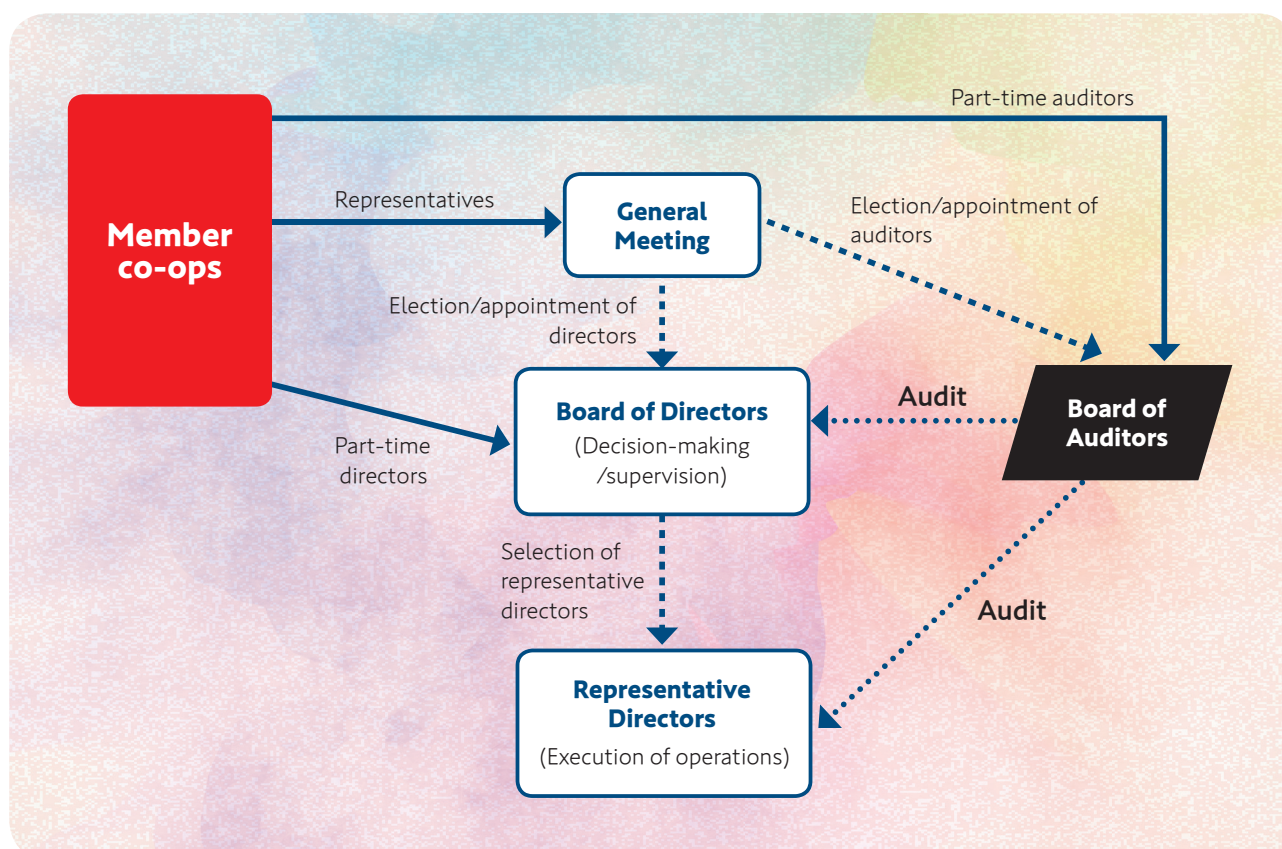
In the process of paying insurance benefits or relief money to victims of the Great Hanshin and Awaji Earthquake in 1995, we enclosed origami cranes with documents sent to them.

Since these origami cranes with a favorable reaction from many recipients, this activity was expanded nationwide. While many volunteers currently participate in making origami cranes at Co-ops around the country, some recipients of origami cranes in turn send us origami cranes of their own making, resulting in a growing circle of people connected to each other with origami cranes. Moreover, many respondents to the questionnaire enclosed with the announcement of insurance benefit payment express their appreciation for origami cranes. These activities have steadily contributed to spreading the spirit of mutual help.

9. Management System

Governance Structure

JCIF's Governance Structure



The governance structure of JCIF is composed of the General Meeting, Board of Directors and Board of Auditors. Being a federation of 153 member co-ops (regional co-ops, the Japanese Consumers' Co-operative Union, and the National Federation of Workers and Consumers Insurance Co-operatives [Kokumin Kyosai co-op]), JCIF is basically a democratic business model formed primarily by representatives of the member co-ops.

A General Meeting is held annually. Each member co-op has representatives commensurate with the size of their membership. To complement the General Meetings, member co-ops' views are gathered through the regional co-op insurance management committees and regional block conferences in the five regional areas across Japan. The Board of Directors is composed of permanent directors, directors originally from individual co-ops, and outside directors (professionals including researchers, lawyers, and co-op actuaries). Of these directors, the President and the Managing Director serve as representative directors. Execution of daily operations is undertaken by the Board of Permanent Directors. Board of Directors meetings are held every other month. The Board of Auditors is composed of a permanent auditor, part-time auditors and two outside auditors (researcher and accountant).

Risk Management System

In pursuing sound management of the mutual insurance business, JCIF makes efforts to identify risks and implement proper risk management.

Risks associated with the mutual insurance business include the following; Business risks, Project development risks and insurance underwriting risks, Asset management risks, Liquidity risks, ALM risks, Office work risks and System risks, etc.

JCIF manages, monitors and controls the risks which we have. Each risk is monitored or controlled by the responsible department.

Business Operations Based on Policyholders' Feedbacks

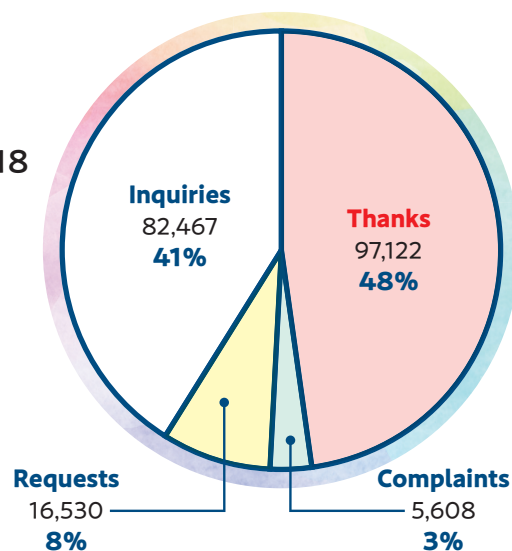
(1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

CO-OP Insurance, when developing products and paying claims, is making improvements based on policyholders' feedbacks. In order to receive more feedbacks and reflect the opinions in our business, we established the consultation center in 2006, which is dedicated to handling complains, opinions and requests.

Complaints we received at Member Satisfaction Promotion Division in FY2018

We had 201,727 complaints and requests in Fiscal 2018.

Viewing the opinions we received as representing the voice of our policyholders, we are striving to improve the problems.



(2) Improvement efforts resulting from complaints and opinions we receive

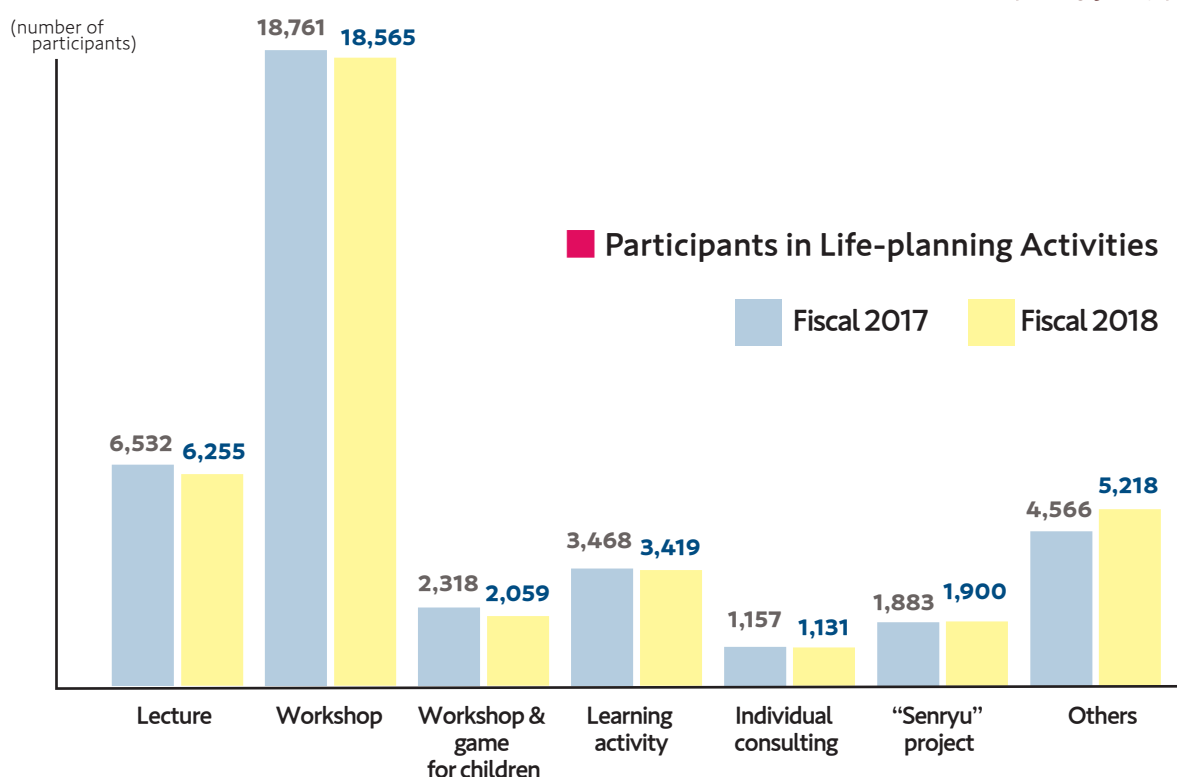
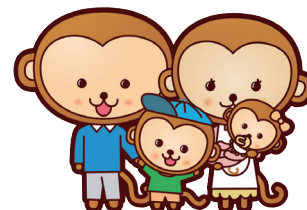
We have introduced the management system to unify the management of complaints and opinions we receive so that related departments can share and swiftly resolve any issues. In addition, we report all complaints and opinions to all departments once a week.

10. Activities

Life-Planning Activities

Life-Planning activities enable Co-op members to learn about money matters in their lives. In the Workshops on Reviewing Insurance, which is a central topic, members gain the capability to independently select insurance product that meets their needs.

As an integral part of Life-Planning activities, JCIF is training members and Co-op staff to be Life-Plan-Advisor (LPA). Participants of LPA courses learn about life planning, insurance, taxation and finance in comprehensive lectures held by JCIF in order to become LPA. As of March 20, 2019, there are 4,298 LPAs active at member Co-ops across Japan.



Life-Planning activities have now become firmly established as Co-op activities. In Fiscal 2018, more than 20,624 people in total participated in the activities, principally in Workshops on Reviewing Insurance.

Health Improvement Activities

A fundamental challenge for CO-OP Insurance activities is the improvement of the health and welfare of people. In order to assist members and policyholders to improve their health, JCIF has installed automatic blood pressure measuring devices at Co-op stores and offers free health consultations by phone.

(1) Automatic Blood Pressure Measuring Devices Installed

JCIF has installed automatic blood pressure measuring devices at more than 367 Co-op stores throughout Japan. Since managing blood pressure is paramount for preventing all lifestyle-related diseases, it is essential to consistently measure blood pressure on a daily basis. The devices are easy for members to use to test their blood pressure level while shopping and utilized for them to manage their health on a daily basis.

(2) CO-OP Insurance Health Call Center



JCIF offers a free phone consultation service made available to *Tasukeai*, *i.-Plus*, *Zutto-i* and *New i.i.* policyholders. JCIF contracts specialist counsellors including doctors and nurses from governmental corporation to give advice on health, treatment and care-giving as well as instruction on which medial facility to use.

During Fiscal 2018, the call center fielded 41,660 calls for advice.

(3) Support Project for Health Promotion

JCIF started its CO-OP Insurance Support Project for Health Promotion in Fiscal 2017. As we confront an aging population, it is crucial to build local communities where healthy seniors can fully realize their potential. We therefore started supporting member Co-ops to implement health promotion activities catered mainly to their middle-aged and older members.

Using the policyholders' contribution generated by accumulating a part of the annual surplus from our mutual insurance business, we execute the project with the aim of contributing to our policyholders, benefitting our mutual insurance business, and demonstrating our comprehensive capacity to address social challenges. Under the themes of food life, physical exercises and social participation, our member Co-ops are implementing diverse efforts in view of their local circumstances by cooperating with other organizations.

In Fiscal 2017 and 2018, 23 activities were organized by 22 Co-ops, to which we extended financial support totaling 247 million yen for 49 activities.



<http://coopkyosai.coop/kenko/>

Donation of School Bag covers

Since Fiscal 2015, as part of its social contribution activities, JCIF has been donating covers for school bags (leather backpacks) to new first graders at elementary schools across Japan in cooperation with local municipalities.

In Fiscal 2018, we donated a total of 257,887 covers to children newly enrolled in 5,197 elementary schools nationwide. To schools where pupils use nylon backpacks, we donated plastic holders for teacher-parents correspondence notepads (146,609 holders to 1,681 schools nationwide).

The yellow school bag cover featuring an illustration of Ko-suke, CO-OP Insurance's official bear character, is eye-catching and makes it easier to spot children from afar. The covers help local communities watch over their children and prevent traffic accidents.



International Relations

JCIF engages in initiatives to promote co-op activities in partnership with co-ops and mutual aid organizations overseas.

International Co-operative Alliance (ICA)

ICA is an international organization founded in 1985 by co-ops around the world. For the purpose of spreading the cooperative movement across the globe, disseminating the values and principles of co-ops, promoting international collaboration among co-ops, and contributing to world peace and safety, ICA makes recommendations to international organizations, endeavors to have its opinions reflected, hosts global conferences, and disseminates information. It is the world's largest non-governmental organization (NGO), representing more than one billion members. JCIF joined ICA in 2017.

International Co-operative Mutual Insurance Federation (ICMIF)

One of ICA's specialty organizations, ICMIF was established to support the global development of cooperative/mutual insurance movements. JCIF joined ICMIF on March 21, 2009.

Asia and Oceania Association of ICMIF (AOA)

Established in 1984 as one of the regional associations of ICMIF, AOA supports the development of cooperative/mutual insurance movements in the Asia and Oceania region.

International Activities in Fiscal 2018

Participation in AOA Seminar

AOA hosts the biennial AOA Seminar with the aim of promoting personnel and information exchange among cooperative/mutual insurance organizations in the Asia and Oceania region and supporting their development.

The 2018 seminar was hosted in Hong Kong under the main theme of "Impact of digital innovation on the strategies of our sector." Cooperative/mutual insurance organizations are faced with the need to explore how digital technologies such as AI, IoT, and blockchain can be incorporated into business and utilized for the sake of their members and policyholders. In the seminar, these issues were examined through commentaries by experts and the introduction of advanced initiatives by AOA members. The seminar was participated in by 83 representatives from 28 organizations in 11 countries. From JCIF, three representatives participated, serving as panelists for a panel discussion and attending programs for young leaders, thereby exchanging views with other attendees.



Supporting ICMIF 5-5-5 Mutual Microinsurance Strategy

ICMIF is soliciting its member organizations to extend support to its 5-5-5 Mutual Microinsurance Strategy, which guides the development of mutual microinsurance programs in five emerging countries, reaching out to five million new households over a five-year period. JCIF has started supporting the strategy by making donations to India's DHAN Foundation since 2018. The Foundation is working to promote microinsurance that covers life, medical expenses, livestock, and agricultural products in India.

11. Balance Sheet

Fiscal 2017 and 2018

¥ JPY
Million ※ 1

\$ USD
Thousand ※ 2

Assets	2017	2018	2018
Cash and deposits	¥ 121,761	¥ 132,718	\$ 1,188,696
Money trust	¥ 55,647	¥ 55,966	\$ 501,262
Securities	¥ 179,958	¥ 198,482	\$ 1,777,716
Loans	—	—	—
Reinsurance account	¥ 118	¥ 199	\$ 1,782
Subcontracting account	¥ 6,333	¥ 7,255	\$ 64,979
Contract account	¥ 308	¥ 308	\$ 2,758
Other mutual insurance assets	¥ 110	¥ 181	\$ 1,621
Prepaid expenses	¥ 43	¥ 73	\$ 653
Accrues income	¥ 183	¥ 178	\$ 1,594
Other assets	¥ 882	¥ 1,155	\$ 10,344
Fixed assets for business use	¥ 8,964	¥ 8,521	\$ 76,318
Investment in affiliates etc.	¥ 270	¥ 270	\$ 2,418
Differed tax assets	¥ 15,191	¥ 16,353	\$ 146,466
Differed assets	—	—	—
Total assets	¥ 389,773	¥ 421,662	\$ 3,776,641

Liabilities	2017	2018	2018
Policy reserves	¥ 236,969	¥ 259,856	\$ 2,327,416
Reinsurance account	¥ 192	¥ 214	\$ 1,916
Subcontracting account	¥ 4,132	¥ 4,181	\$ 37,447
Contract account	¥ 0	¥ 0	\$ 0
Other mutual insurance liabilities	¥ 39	¥ 30	\$ 268
Accrued expenses	¥ 2,189	¥ 2,709	\$ 24,263
Other liabilities	¥ 6,827	¥ 6,800	\$ 60,904
Allowance	¥ 1,308	¥ 1,485	\$ 13,300
Price fluctuation reserves	¥ 3,660	¥ 4,176	\$ 37,402
Total liabilities	¥ 255,320	¥ 279,457	\$ 2,502,973

Net assets	2017	2018	2018
Member capital	¥ 133,131	¥ 141,138	\$ 1,264,111
Other	¥ 1,321	¥ 1,066	\$ 9,547
Total net assets	¥ 134,452	¥ 142,205	\$ 1,273,667
Total liabilities and net assets	¥ 389,773	¥ 421,662	\$ 3,776,641

※ 1. Yen amounts are rounded down to the nearest ¥1 million.

※ 2. U.S. dollar amounts are converted, for convenience only, at ¥111.65=US\$1.00 (as of March 20, 2019) and rounded down to the nearest \$1 million.

12. Income Statement

Fiscal 2017 and 2018

¥ JPY
Million ※ 1

\$ USD
Thousand ※ 2

Ordinary Income	2017	2018	2018
Premium and other income	¥ 186,924	¥ 192,327	\$ 1,722,588
Reversal of policy reserves	¥ 30,243	¥ 30,974	\$ 277,420
Investment income	¥ 1,849	¥ 1,752	\$ 15,691
Other ordinary income	¥ 642	¥ 487	\$ 4,361
Total ordinary income	¥ 219,660	¥ 225,541	\$ 2,020,071

Ordinary Expenses	2017	2018	2018
Claims paid	¥ 98,587	¥ 101,448	\$ 908,625
Provision of policy reserves	¥ 17,255	¥ 19,006	\$ 170,228
Investment expenses	¥ 120	¥ 128	\$ 1,146
Business expenses	¥ 54,133	¥ 56,783	\$ 508,580
Other ordinary expenses	¥ 320	¥ 430	\$ 3,851
Total ordinary expenses	¥ 170,417	¥ 177,797	\$ 1,592,449
Ordinary Surplus	¥ 49,243	¥ 47,743	\$ 427,613

Extraordinary Income or Loss	2017	2018	2018
Extraordinary income	-	-	-
Extraordinary loss	¥ 699	¥ 575	\$ 5,150
Surplus before taxes	¥ 48,544	¥ 47,168	\$ 422,463
Income taxes	¥ 4,898	¥ 4,609	\$ 41,280
Income taxes-deferres	¥ -791	¥ -1,063	\$ -9,520
Provision of rebate reserves	¥ 34,212	¥ 34,856	\$ 312,189
Net surplus	¥ 10,224	¥ 8,766	\$ 78,513
Net surplus for the period	¥ 526	¥ 517	\$ 4,630
Reversal of reserve for business continuity planning	-	-	-
Reversal of reserve for office system maintenance	¥ 12	¥ 51	\$ 456
Reversal of reserve for catastrophe solatium	¥ 813	¥ 876	\$ 7,845
Reversal of subscriber contribution	¥ 253	¥ 286	\$ 2,561
Unappropriated surplus for the period	¥ 11,830	¥ 10,498	\$ 94,025

※ 1. Yen amounts are rounded down to the nearest ¥1 million.

※ 2. U.S. dollar amounts are converted, for convenience only, at ¥111.65=US\$1.00 (as of March 20, 2019) and rounded down to the nearest \$1 million.

13. Solvency Margin Ratio and Others

Fiscal 2017 and 2018

¥ JPY
Million ※ 1

\$ USD
Thousand ※ 2

Solvency Margin Ratio ※ 3	2017	2018	2018
Total solvency margin ※ 4 ①	¥ 183,039	¥ 196,744	\$ 1,762,149
Total risks ②	¥ 28,165	¥ 28,779	\$ 257,760
Solvency margin ratio = ① ÷ (② × 1/2) × 100	1,299.7%	1367.3%	

Breakdown of Basic Profit	2017	2018	2018
Basic profit ※ 5	¥ 51,774	¥ 50,980	\$ 456,605
Investment profit ※ 6	¥ 419	¥ 271	\$ 2,427
Mortality profit ※ 6	¥ 44,028	¥ 44,723	\$ 400,564
Expense profit ※ 6	¥ 7,326	¥ 5,985	\$ 53,605

Equity Capital Ratio	2017	2018	2018
Equity capital ①	¥ 134,452	¥ 142,205	\$ 1,273,667
Contingency reserves ②	¥ 45,318	¥ 49,090	\$ 439,677
Revised equity capital = ① + ②	¥ 179,771	¥ 191,296	\$ 1,713,354
Total assets ③	¥ 389,773	¥ 421,662	\$ 3,776,641
Equity capital ratio ※ 7 = ① / ③	34.5%	33.7%	
Revised equity capital ratio ※ 8	46.1%	45.4%	

※ 1. Yen Amounts are rounded down to the nearest ¥1 million.

※ 2. U.S. dollar amounts are converted, for convenience only, at ¥111.65=US\$1.00 (as of March 20, 2019) and rounded down to the nearest \$1 million.

※ 3. The solvency margin rate of JCIF is calculated based on the Consumer Cooperatives Act as determined by the Ministry of Health, Labor and Welfare.
Therefore, it is incommensurable with the solvency margin rate of life insurance companies and nonlife insurance companies.

According to the Ministry of Health, Labor and Welfare, the rate needs more than 200%.

※ 4. The total solvency margin is limited to what can be divided in the CO-OP Insurance business.

※ 5. Definitions are as follows:

Investment profit : Differential between the projected investment return (expected yield) and the actual investment return.

Mortality profit : Differential between the projected insurance payment (expected mortality rate) and actual claims for payment.

Expense profit : Differential between the projected operational expenses (projected operational expense ratio) and actual operation expenses.

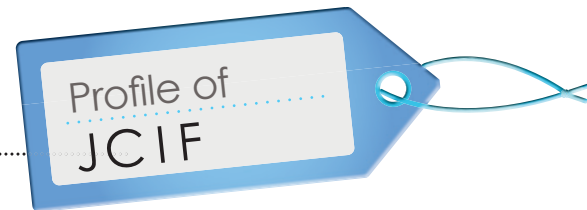
※ 6. Basic profit is calculated by excluding capital gain/loss, such as sales gain or loss on marketable securities, and extraordinary gain/loss, such as provision for contingency reserves, from recurring surplus. It is the index that shows the basic period income generated from the mutual aid business.

※ 7. Equity capital ratio = Equity capital ÷ Total assets

※ 8. Revised equity capital ratio = Revised equity capital ÷ Total assets

Year Ended March 20, 2019

ANNUAL REPORT 2019



Name

JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation)

Head office

4-1-13 Sendagaya, Shibuya-ku, Tokyo 151-0051, JAPAN

Established

November 5, 2008

Number of Member Co-ops

153 (as of March 20, 2019)

Detail of operations

CO-OP Insurance Business

**JCIF is the Federation Specializing
in Mutual Insurance Businesses**

JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation) was established in November 5, 2008.

Up until 2008, the JCCU and member co-ops were engaged in not only mutual insurance business, but also retail business such as operating stores and providing home delivery services. To avoid conflict with the newly revised Co-op Law in 2008, it was decided to jointly establish a new organization, the JCIF, to specialize in providing mutual insurance products.



日本コ-プ共済生活協同組合連合会

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