



Year Ended March 20, 2020

# ANNUAL REPORT

# 2020

Japan CO-OP Insurance Consumers' Co-operative Federation

Year Ended March 20, 2020

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## Expand the circle of "Tasukeai" to everybody

What we cherish is the heart of mutual cooperation  
when someone is 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 20,2020 (Fiscal Year 2019: March 21, 2019- March 20, 2020)

# 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.

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

1

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

2

**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.

3

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

4

**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.

5



## Message from the President

The spread of COVID-19 has been causing a severe crisis since the beginning of 2020. I'd like to take this opportunity to extend my heartfelt prayers for those who have lost their lives to the disease, and offer my deep sympathies to those who have become infected. I sincerely hope that the pandemic will come to an end as quickly as possible.

CO-OP Insurance has been making concentrated efforts to continue supporting co-op members who face financial distress due to the pandemic. Specifically, we have expanded the scope of payable insurance claims by designating the COVID-19 infection as an accident, and have extended the grace period for premium payments as a special measure to meet policyholders' need for ongoing coverage by CO-OP Insurance.

We are also focusing on making contributions to humanity's shared objectives, the Sustainable Development Goals (SDGs). We aim to take a leading role in achieving a sustainable society by collaborating with consumer co-operatives and various other co-operatives, NPOs, and other organizations nationwide. Our initiatives include providing grants for local communities to help co-op members lead comfortable lives in their local areas, and supporting health promotion activities implemented by member co-ops to encourage healthy dietary and exercise habits.

In fiscal 2019, we paid out a total of 68.9 billion yen in insurance benefits (102.3% of the previous fiscal year) to 1.38 million insurance claimants (JCIF products only).

At the annual conference in 2020 we formulated our CO-OP Insurance Long-term Vision 2030 and CO-OP Insurance Medium-term Business Plan 2022. CO-OP Insurance embodies the spirit of mutual aid among co-op members by providing insurance designed to meet their needs at a reasonable premium, and I am convinced that we will take on an increasingly significant role going forward. Our business goals are to reach 10 million policyholders (JCIF products only) and increase our payment rate to over 7% in hopes of supporting a larger number of co-op members.

In July 2020, the number of CO-OP Insurance policyholders exceeded 9.0 million. Under our Long-term Vision, our strategic goals include endeavoring to develop better products, creating more opportunities to engage co-op members to help them better understand and empathize with the spirit of mutual aid, and taking active steps to solicit young members of the next generation to purchase coverage.

We are determined to take on diverse issues in collaboration with member co-ops nationwide to continue expanding the circle of mutual aid amid a challenging business environment. We at CO-OP Insurance appreciate your continued understanding and support.

**Toshiaki Wada**  
President

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





# CO-OP Insurance Long-term Vision 2030

JCIF formulated its CO-OP Insurance Long-term Vision 2030 as a 10-year plan starting in 2020. Through our co-operative insurance business that draws on feedback from co-op members, we will continue endeavoring to support co-op members and their families, and be there for them when needed by making constant improvements in pursuit of reasonable premiums, better coverage that helps them in case of emergencies, easier procedures, and reduced costs.

## ● Main Statement

### Cooperating for better future livelihoods

We aim to bring together the strengths of co-op members, promote mutual support, be there for them and their families, and create a new form of mutual aid and better livelihoods for the future in collaboration with co-op members.

## ● Five Values of CO-OP Insurance

To encourage co-op members to participate, shape empathy into concrete forms, and widely disseminate the benefits and beliefs of the CO-OP Insurance mutual aid initiative among co-op members and employees.

### Participation and empathy

To contribute more to livelihood security through CO-OP Insurance products, especially when the environment surrounding our livelihoods is severe, in particular by offering coverage designed for women and children.

### Contribution to livelihoods

To identify changes in co-op members' livelihoods and living environments, and to transform ourselves as well as take on challenges to remain capable of helping them.

### Response to changes

### Contribution to local communities

To take on greater roles in local communities by collaborating with national or local government and other organizations to protect the livelihoods of local co-op members amid decreasing populations.

### Stable business operation for future livelihoods

To be better equipped to address changes as we face intensifying competition in the insurance industry, industry transformation driven by IT, and the negative pressure exerted by decreasing populations, aging, and declining birth rate.

## ● Business Goals for 2030

1

To expand the circle of direct policyholders of CO-OP Insurance products to 10 million with the aim of ensuring a lifetime of security for more co-op members.

2

To increase the payment of insurance claims by 30 billion yen (equivalent to payment rate of over 7%) to contribute to the livelihoods of co-op members by directly providing them with greater amounts of benefits.

3

To secure a surplus rate of 18% and a solvency margin ratio of at least 280% on an economic value basis to make CO-OP Insurance policyholders feel reassured.

## ● What We Aim to Be in 2030 and Seven Areas of Focus to Achieve our Ideals

1

To be capable of providing lifelong insurance starting before birth through our mutual aid scheme (Focus on product development)

2

To have an expanding circle of mutual aid (Focus on promotional activities and joint programs)

3

To be the kind of mutual aid scheme that co-op members can feel proud of (Focus on encouraging participation of co-op members and spreading empathy)

4

To offer convenient, simple, and reliable procedural steps for policyholders (Focus on building a clerical structure distinct to CO-OP Insurance)

5

To play greater social roles and help co-operative businesses display their comprehensive strengths (Focus on expanding roles as a business and collaborating with other co-ops)

6

To ensure that employees lead enjoyable and fulfilling work lives (Focus on the development of human resources that sustain CO-OP Insurance)

7

To run stable business operations (Focus on business operations)



## Topics of FY2019

In our CO-OP Insurance Healthcare Worker Support Project, donations by JCIF were delivered to healthcare workers fighting COVID-19 as a gesture of compassionate support by co-op members across Japan.

### ● Project outline

For every registration or designated procedure undertaken on the CO-OP Insurance “My Page” webpage for policyholders, JCIF donated 50 yen to the Japan Health and Welfare Co-operative Federation.\*



Launched on July 22, 2020, the project was scheduled to end on October 20, 2020, but in response to the policyholders' compassionate desire to provide ongoing support to healthcare workers, we extended its duration to December 20, 2020. Total donations have reached 8,263,450 yen.

\*Japan Health and Welfare Co-operative Federation (HeW CO-OP JAPAN)

A national federation of health and welfare co-operatives. Provides member co-ops with guidance and support; supplies pharmaceuticals, medical supplies and equipment; provides education and training materials; and engages in public relations and policy planning, among other activities.



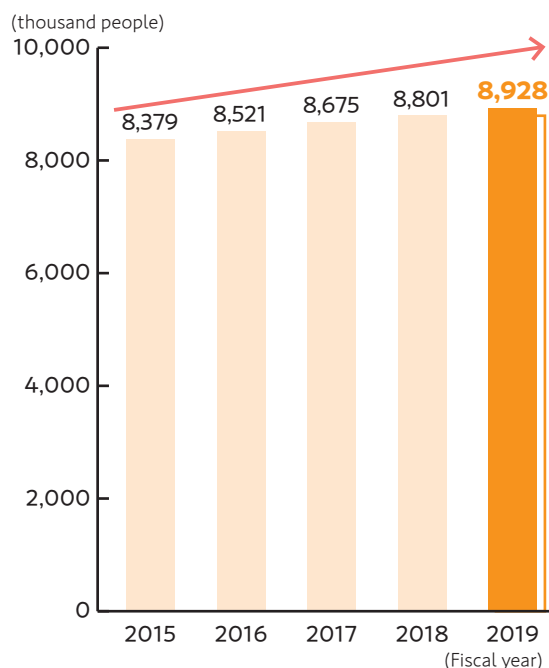
# Financial Highlights

Fiscal 2018 and 2019	JPY Million *1		USD Million *2
	2018	2019	2019
Ordinary income	¥225,541	¥230,788	\$2,117
Ordinary expenses	¥177,797	¥180,842	\$1,659
Ordinary surplus	¥47,743	¥49,946	\$458
Net surplus	¥8,766	¥9,781	\$89
Total assets	¥421,662	¥452,014	\$4,147
Total liabilities	¥279,457	¥302,582	\$2,776
Total net assets	¥142,205	¥149,431	\$1,371
Number of policies total	8,801,512	8,928,956	-
Number of policies (JCIF products only)	8,374,294	8,500,502	-
Total amount of insurance in force (billion) (JCIF products only)	¥12,436	¥12,589	\$115
Solvency margin	1367.3%	1417.0%	-

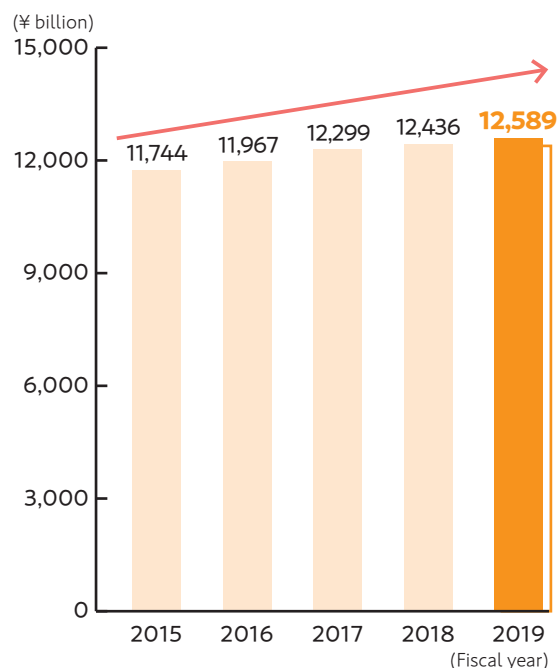
\* 1. Yen amounts are rounded down to the nearest ¥1 million.

\* 2. U.S. dollar amounts are converted, for convenience only, at ¥108.98=US \$1.00 (as of March 19, 2020) and rounded down to the nearest \$1 million.

## Numbers of total policies



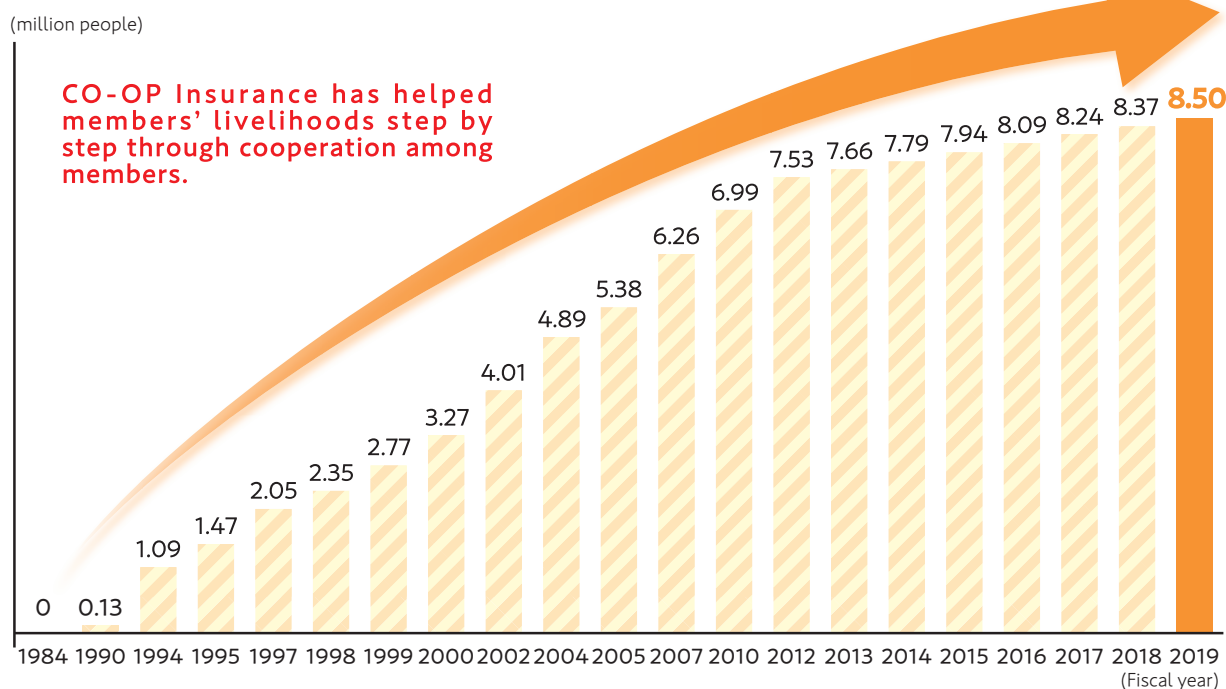
## Total amount of insurance in force (JCIF products total)



# Business Overview of CO-OP Insurance for Fiscal 2019

## Changes in the Number of Policyholders

In 1984, CO-OP Insurance *Tasukeai*, Term Life and Medical Insurance, 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 Long Term Life Insurance named *Ai-Plus* in 2000, and *Zutto-Ai*, Whole Term Life Insurance and Whole Term Medical Insurance, in 2011. As a result of these efforts, the number of policyholders in JCIF products who contract with us reached 8.5 million as of March 20, 2020. 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 2019 totaled 8.9 million

When broken down by product, *Tasukeai* policyholders increased by 5,215 from the previous year to 5,921,790, *Ai-Plus* policyholders increased by 63,700 to 1,968,949, *Zutto-Ai* policyholders increased by 57,293 from the previous year to 609,763, CO-OP Fire Insurance policyholders increased by 2,133 to 404,505, and CO-OP Life Insurance *New-i.i.* policyholders decreased by 897 to 23,949. Total number of policyholders reached 8,928,956 by the end of fiscal year of 2018.

### Policies in force totaled ¥12.58 trillion

CO-OP Insurance has a total of ¥12.58 trillion in policies in force (JCIF products only), an increase of 1.2% from the previous year.

### 1.38 million payments made

CO-OP Insurance made a total of 1.38 million payments (JCIF products only), an increase of 2.1% from the previous year.

### Premiums totaled ¥194.8 billion

CO-OP Insurance has a total of ¥194.8 billion in premiums (JCIF products only), an increase of 2.0% from the previous year.

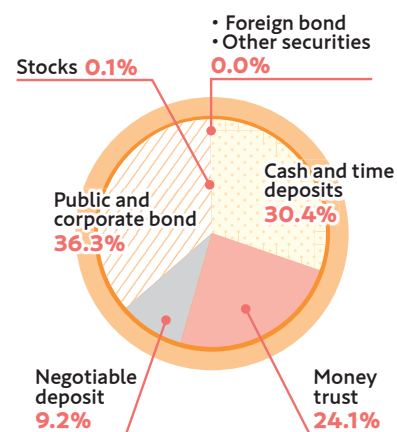
### Total claims paid amount to ¥68.9 billion

CO-OP Insurance paid a total of ¥68.9 billion for insurance claims (JCIF products only), an increase of 2.3% from the previous year.

## ■ Asset Management

### ■ Investment Assets

	JPY Million*1			USD Million*2
Fiscal Year	2018	2019	Composition ratio(%)	2019
Cash and deposits	¥132,718	¥125,979	30.4%	\$1,155,982
Money trust ※3	¥55,966	¥99,876	24.1%	\$916,461
Negotiable deposit	¥41,000	¥38,000	9.2%	\$348,687
Public and corporate bond	¥157,226	¥150,744	36.3%	\$1,383,226
Stocks	¥255	¥255	0.1%	\$2,339
Foreign bond	0	0	0.0%	0
Other securities	0	0	0.0%	0
<b>Total</b>	<b>¥387,166</b>	<b>¥414,856</b>	<b>100.0%</b>	<b>\$3,806,716</b>



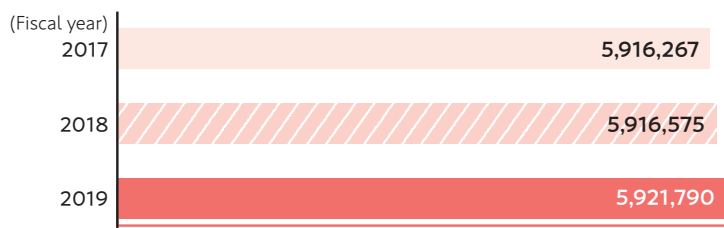
\* 1. Yen amounts are rounded down to the nearest ¥1 million.

\* 2. U.S. dollar amounts are converted, for convenience only, ¥108.98=US \$1.00 (as of March 19, 2020) and rounded down to the nearest \$1 million.

\* 3. Money held in trust are transferable warranty deposits.

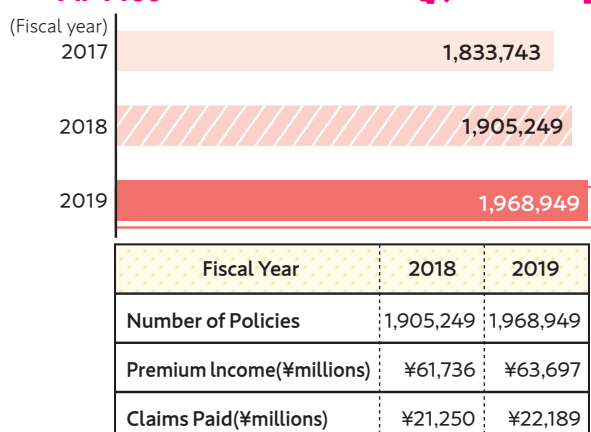
## ■ CO-OP Insurance Business Overview by Product

### Tasukeai

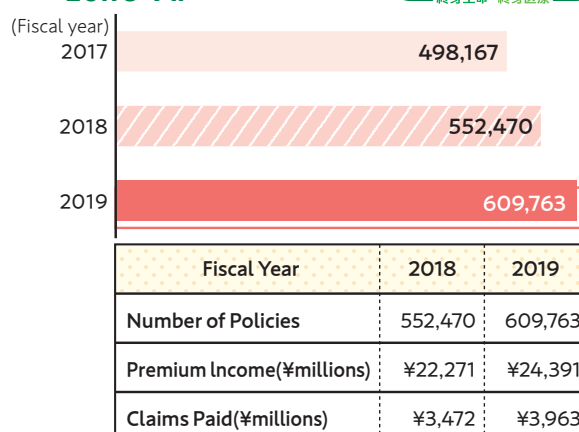


Fiscal Year	2018	2019
Number of Policies	5,916,575	5,921,790
Premium Income(¥millions)	¥107,023	¥106,799
Claims Paid(¥millions)	¥42,628	¥42,781

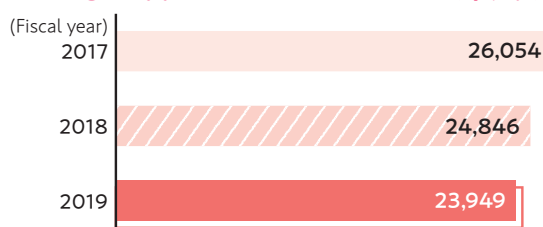
### Ai-Plus



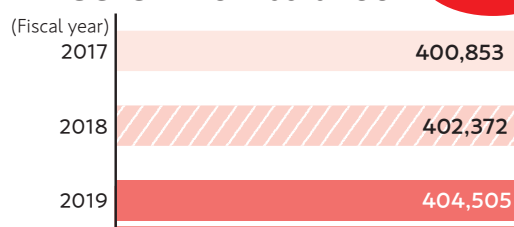
### Zutto-Ai



### New i.i.



### CO-OP Fire Insurance





# 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.

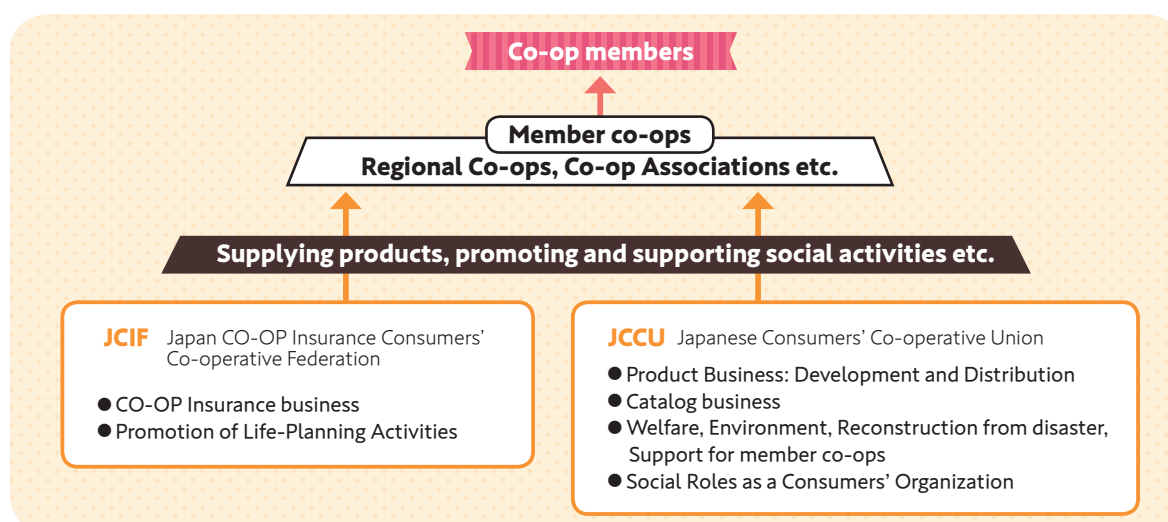
Co-ops engage in a wide range of activities including supplying merchandise through delivery and at stores; offering mutual aid, medical care, and welfare services; hosting mutual support programs among members; and providing educational programs on everyday life.



## JCIF, Co-op and JCCU

Our organization is a federation of 151 consumer cooperative societies (as of March 20, 2020) 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.



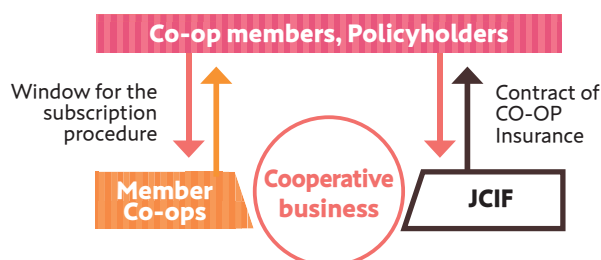
## Roles of Member Co-ops and JCIF

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.



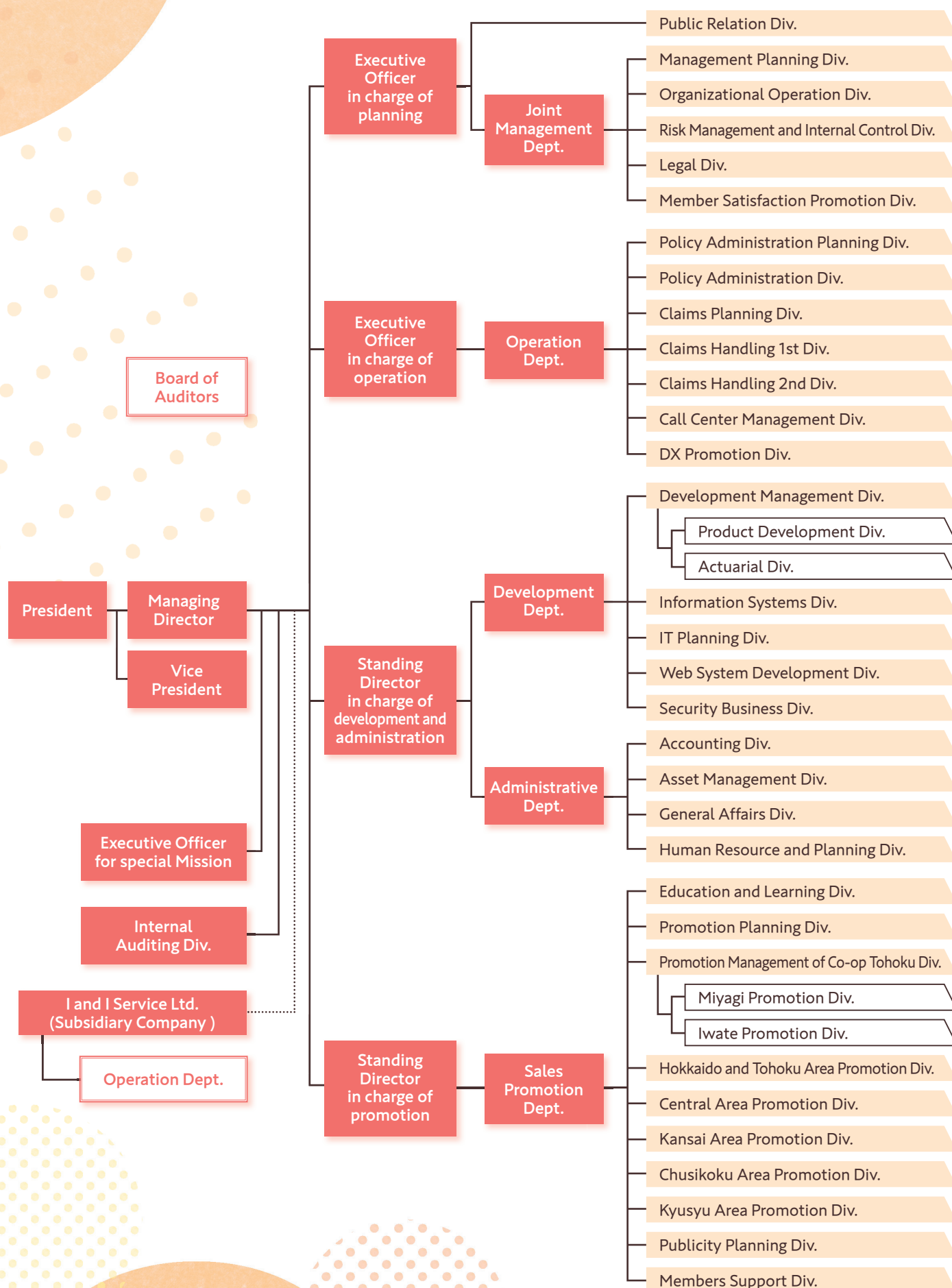
### JCIF (Japan CO-OP Insurance Consumers' Co-operative Federation)

#### "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 11th of January, 2021)



## Types of CO-OP Insurance

### CO-OP Insurance

#### **Tasukeai**

#### **Term Life and Medical Insurance (Comprehensive Type)**



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-Ai**

#### **Whole Term Life Insurance/ Whole Term Medical Insurance**



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

There are 2 types. One is a Whole Term Life Insurance which covers lifetime death. The other is a Whole Term 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

#### **Ai-Plus**

#### **Long 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 *Ai-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.

### **Ai-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.**

#### **Individual Long-term 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 *Ai-Plus*, and CO-OP Insurance *Zutto-Ai* (Whole Term Life Insurance and Whole Term 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.

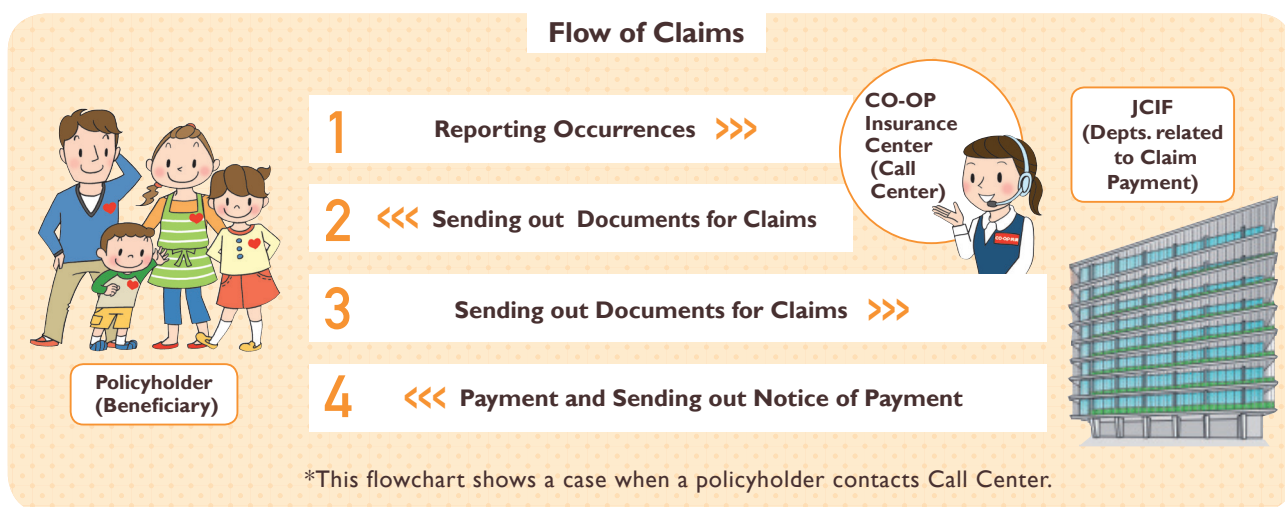


# Payment of Claims

## 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*, *Ai-Plus*, *Zutto-Ai* 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.

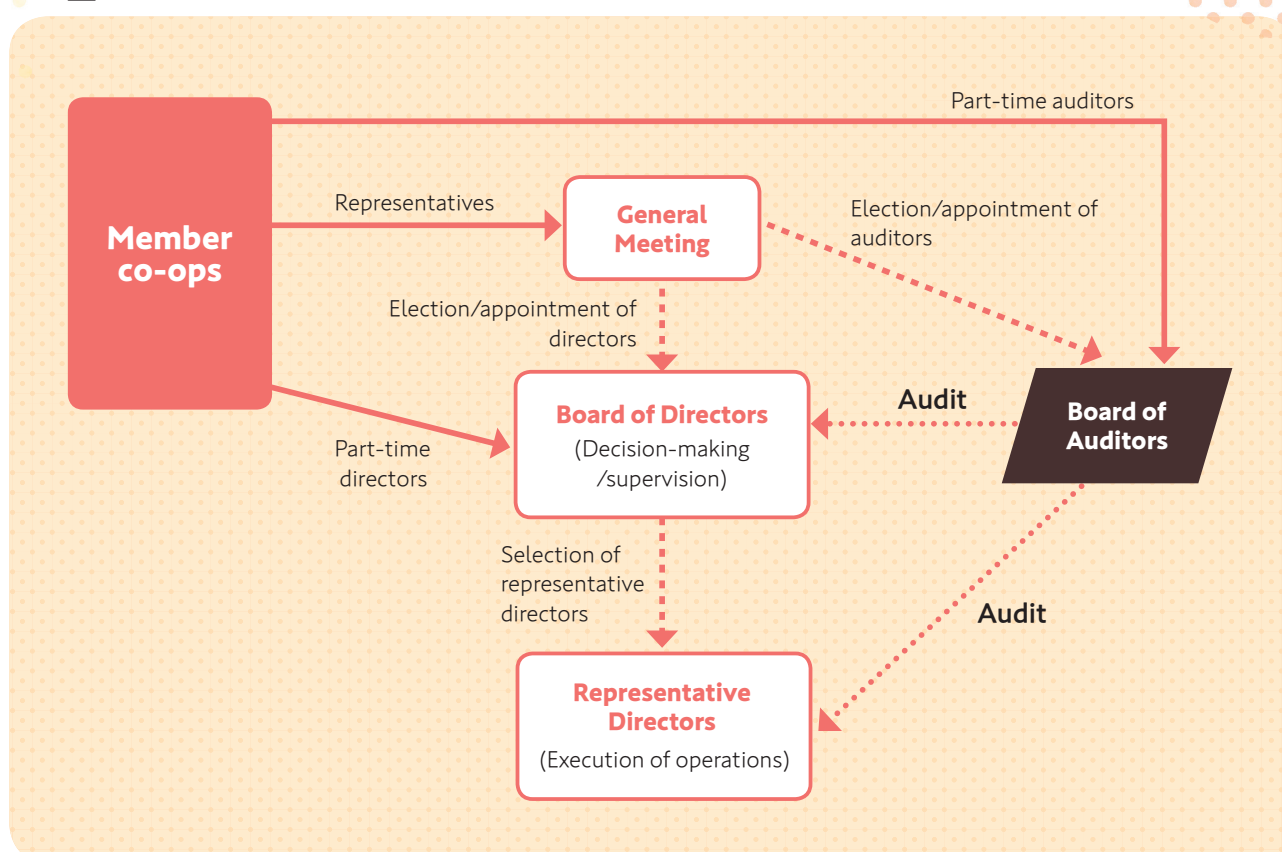
In the process of paying insurance benefits or relief money to victims of the Great Hanshin and Awaji Earthquake in 1995, we enclosed origami cranes with documents sent to them.

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.

# 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 151 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

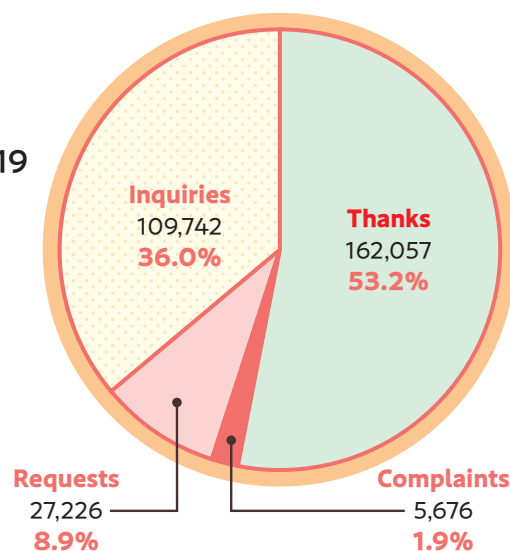
### (1) Member Satisfaction Promotion Division receives complaints and opinions by telephone

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 complaints, opinions and requests.

#### Complaints we received at Member Satisfaction Promotion Division in FY2019

We had 304,701 complaints and requests in Fiscal 2019.

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.



# Co-op Action Plan for SDGs

## Co-op Action Plan for



We commit to the contribution to the achievement of the Sustainable Development Goals (SDGs). Declared at the 68th Annual General Assembly of Japanese Consumers' Co-operative Union.

We have been dedicating ourselves to the realization of a more human lifestyle and sustainable society under the "Ideal of Japanese Consumer Co-ops Movement for the 21st Century", adopted at the JCCU Annual General Assembly in 1997.

The SDGs which aim to leave no one behind are consistent with our philosophy.

We declare that we will work both locally and internationally to achieve the SDGs through seven actions.



We will eliminate poverty and hunger from the world and promote support for children.



We will promote gender equality and create an inclusive society.



We will expand health promotion and promote welfare services and mutual help.



We will participate in creating a society where everyone can live with a sense of security.



We will spread the use of renewable energy and promote Global Warming Countermeasures.



We will continue to review and improve our products and lifestyle for a sustainable production and consumption.



We will promote activities to eliminate nuclear weapons and to achieve the world peace.

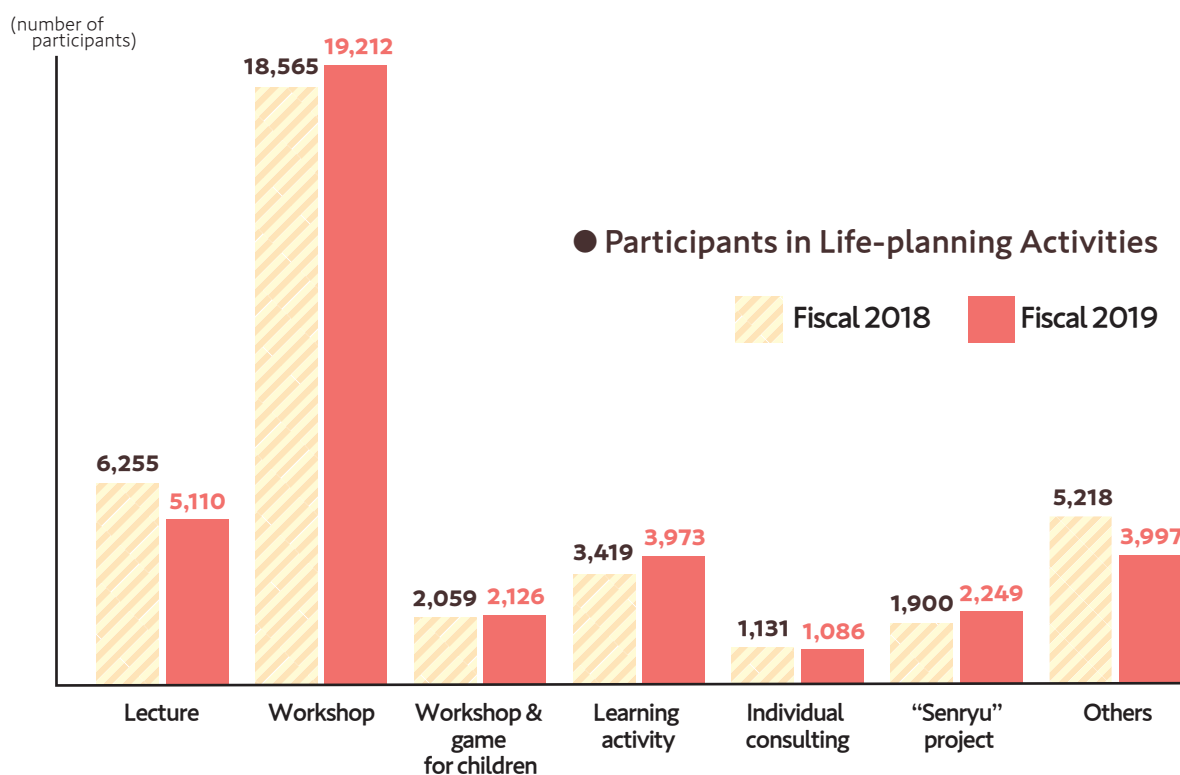
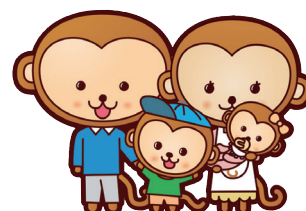


# Activities

## 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, 2020, there are 4,508 LPAs active at member Co-ops across Japan.



Life-Planning activities have now become firmly established as Co-op activities. In Fiscal 2019, more than 37,353 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 366 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*, *Ai-Plus*, *Zutto-Ai* 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 2019, the call center fielded 40,762 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 2019, 5 activities were newly organized by 5 Co-ops, to which we extended financial support totaling 168 million yen for 47 Co-ops, 51 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 2019, we donated a total of 301,669 covers to children newly enrolled in 5,858 elementary schools nationwide. To schools where pupils use nylon backpacks, we donated plastic holders for teacher-parents correspondence notepads (128,721 holders to 1,519 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

### ● International Activities in Fiscal 2019

#### ◆ AOA Study Visit 2019 Singapore (AOA Study Visit delegates)

The Asia and Oceania Association of ICMIF (AOA) biennially hosts the Study Visit program for its member organizations to promote personnel and information exchanges among cooperative/mutual insurance organizations in the Asia and Oceania regions and support their development.

In 2019, JCIF members visited NTUC Income Insurance Co-operative Limited in Singapore to learn about the insurance co-operative's digital innovations, branch functions, contact center and roadside assistance service for vehicle accidents, and appraisal of vehicle damage and repair fees. Representatives from 14 organizations in seven countries participated in the Study Visit. From JCIF, two representatives attended, visiting their headquarters, branches, and the Contact Centre, among others.



#### ◆ Participation in ICMIF Biennial Conference

In November 2019, the International Co-operative Mutual Insurance Federation (ICMIF) Biennial Conference was hosted in Auckland, New Zealand, with the president and six young staff members participating from JCIF. The conference in 2019 was the second largest ever in scale, with 360 representatives attending from 80 cooperative/mutual insurance organizations in 37 countries.

JCIF members listened to interesting panel discussions about such topics as the sustainable development goals, digital innovation, disease prevention using insurance-related big data, measures for the millennial generation, and microinsurance. The Young Leaders Programme provided the members with an opportunity to meet with the CEOs of ICMIF member organizations and exchange views.





# Balance Sheet

## ● Fiscal 2018 and 2019

	¥ JPY Million *1		\$ USD Thousand *2
Assets	2018	2019	2019
Cash and deposits	¥ 132,718	¥ 125,979	\$ 1,155,982
Money trust	¥ 55,966	¥ 99,876	\$ 916,461
Securities	¥ 198,482	¥ 189,000	\$ 1,734,263
Loans	—	—	—
Reinsurance account	¥ 199	¥ 265	\$ 2,431
Subcontracting account	¥ 7,255	¥ 7,423	\$ 68,113
Contract account	¥ 308	¥ 314	\$ 2,881
Other mutual insurance assets	¥ 181	¥ 143	\$ 1,312
Prepaid expenses	¥ 73	¥ 84	\$ 770
Accrued income	¥ 178	¥ 173	\$ 1,587
Other assets	¥ 1,155	¥ 1,412	\$ 12,956
Fixed assets for business use	¥ 8,521	¥ 9,183	\$ 84,263
Investment in affiliates etc.	¥ 270	¥ 331	\$ 3,037
Differed tax assets	¥ 16,353	¥ 17,824	\$ 163,552
Differed assets	—	—	—
Total assets	¥ 421,662	¥ 452,014	\$ 4,147,678

Liabilities	2018	2019	2019
Policy reserves	¥ 259,856	¥ 282,233	\$ 2,589,768
Reinsurance account	¥ 214	¥ 227	\$ 2,082
Subcontracting account	¥ 4,181	¥ 4,389	\$ 40,273
Contract account	¥ 0	¥ 0	\$ 0
Other mutual insurance liabilities	¥ 30	¥ 48	\$ 440
Accrued expenses	¥ 2,709	¥ 2,601	\$ 23,866
Other liabilities	¥ 6,800	¥ 6,597	\$ 60,534
Allowance	¥ 1,485	¥ 1,674	\$ 15,360
Price fluctuation reserves	¥ 4,176	¥ 4,811	\$ 44,145
Total liabilities	¥ 279,457	¥ 302,582	\$ 2,776,491

Net assets	2018	2019	2019
Member capital	¥ 141,138	¥ 150,160	\$ 1,377,867
Others	¥ 1,066	¥ -728	\$ -6,680
Total net assets	¥ 142,205	¥ 149,431	\$ 1,371,178
Total liabilities and net assets	¥ 421,662	¥ 452,014	\$ 4,147,678

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

\*2. U.S. dollar amounts are converted, for convenience only, at ¥108.98=US \$1.00 (as of March 19, 2020) and rounded down to the nearest \$1 million.

# Income Statement

## ● Fiscal 2018 and 2019

	¥ JPY Million *1		\$ USD Thousand *2
Ordinary Income	2018	2019	2019
Premium and other income	¥ 192,327	¥ 196,343	\$ 1,801,642
Reversal of policy reserves	¥ 30,974	¥ 31,850	\$ 292,255
Investment income	¥ 1,752	¥ 2,073	\$ 19,021
Other ordinary income	¥ 487	¥ 520	\$ 4,771
Total ordinary income	¥ 225,541	¥ 230,788	\$ 2,117,709

Ordinary Expenses	2018	2019	2019
Claims paid	¥ 101,448	¥ 104,069	\$ 954,936
Provision of policy reserves	¥ 19,006	¥ 18,826	\$ 172,747
Investment expenses	¥ 128	¥ 155	\$ 1,422
Business expenses	¥ 56,783	¥ 57,462	\$ 527,271
Other ordinary expenses	¥ 430	¥ 327	\$ 3,000
Total ordinary expenses	¥ 177,797	¥ 180,842	\$ 1,659,405
Ordinary Surplus	¥ 47,743	¥ 49,946	\$ 458,304

Extraordinary Income or Loss	2018	2019	2019
Extraordinary income	-	-	-
Extraordinary loss	¥ 575	¥ 656	\$ 6,019
Surplus before taxes	¥ 47,168	¥ 49,289	\$ 452,275
Income taxes	¥ 4,609	¥ 4,883	\$ 44,806
Income taxes-deferred	¥ -1,063	¥ -776	\$ -7,120
Provision of rebate reserves	¥ 34,856	¥ 35,401	\$ 324,839
Net surplus	¥ 8,766	¥ 9,781	\$ 89,750
Net surplus for the period	¥ 517	¥ 441	\$ 4,046
Reversal of reserve for business continuity planning	-	-	-
Reversal of reserve for catastrophe solatium	¥ 51	¥ 7	\$ 64
Reversal of reserve for office system maintenance	¥ 876	¥ 356	\$ 3,266
Reversal of subscriber contribution	¥ 286	¥ 203	\$ 1,862
Unappropriated surplus for the period	¥ 10,498	¥ 10,790	\$ 99,008

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

\*2. U.S. dollar amounts are converted, for convenience only, at ¥108.98=US \$1.00 (as of March 19,2020) and rounded down to the nearest \$1 million.

# Management Index

## Fiscal 2018 and 2019

	¥ JPY Million* <sup>1</sup>	\$ USD Thousand* <sup>2</sup>
<b>Solvency Margin Ratio</b> * <sup>3</sup>	2018	2019
Total solvency margin * <sup>4</sup> ①	¥ 196,744	¥ 208,816
Total risks ②	¥ 28,779	¥ 29,474
Solvency margin ratio = ① ÷ (② × 1/2) × 100	1367.3%	1417.0%

<b>Breakdown of Basic Profit</b>	2018	2019	2019
Basic profit * <sup>5</sup>	¥ 50,980	¥ 51,961	\$ 476,793
Investment profit * <sup>6</sup>	¥ 271	¥ 339	\$ 3,110
Mortality profit * <sup>6</sup>	¥ 44,723	¥ 45,062	\$ 413,488
Expense profit * <sup>6</sup>	¥ 5,985	¥ 6,560	\$ 60,194

<b>Equity Capital Ratio</b>	2018	2019	2019
Equity capital ①	¥ 142,205	¥ 149,431	\$ 1,371,178
Contingency reserves ②	¥ 49,090	¥ 51,932	\$ 476,527
Revised equity capital = ① + ②	¥ 191,296	¥ 201,363	\$ 1,847,706
Total assets ③	¥ 421,662	¥ 452,014	\$ 4,147,678
Equity capital ratio * <sup>7</sup> = ① / ③	33.7%	33.1%	
Revised equity capital ratio * <sup>8</sup>	45.4%	44.5%	

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

\*2. U.S. dollar amounts are converted, for convenience only, at ¥108.98=US \$1.00 (as of March 19,2020) 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, 2020

# ANNUAL REPORT 2020

## ● Profile of **JCIF**

### **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**

151 (as of March 20, 2020)

### **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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