

## **Annual Supervisory Policy for Insurance Companies, etc. for Program Year 2012**

The Financial Services Agency (FSA) publishes its Annual Supervisory Policy for Insurance Companies, etc. for each program year so as to clarify its supervisory priorities. This is prescribed in the Comprehensive Guidelines for Supervision of Insurance Companies, the Supervisory Guidelines for Small-Amount and Short-Term Insurance Providers, and the Comprehensive Guidelines for the Supervision of Approved Insurance Providers, which show basic approaches for the supervisory processes aimed at insurance companies, small-amount and short-term insurance providers, and approved specified insurance providers, respectively.

Natural disasters, such as the Great East Japan Earthquake, the floods in Thailand and a spate of typhoons, have occurred at a high level in 2011. These events have renewed awareness of the extremely important roles that the insurance industry plays in stabilizing people's lives and economic activities by providing insurance coverage functions against these various risks. At the same time, how to improve the management of accumulated risks regarding such successive huge disasters has become a major challenge for insurance company management.

Given the abovementioned conditions, in this program year, in accordance with "Basic Concepts on Future Supervision of Financial Institutions," the FSA will place priority on the areas of (1) appropriate fulfillment of guaranty and compensation functions, (2) promotion of sophisticated risk management, and (3) improvement of customer protection and increasing of convenience for users. It will supervise insurance companies, etc. as shown below. It should be noted that this supervisory policy was made considering the circumstances that surrounded financial institutions as of August 2012, and may be subject to review as necessary.

### 1. Environment Surrounding the Financial System, and Basic Concepts on Future Supervision of Financial Institutions

#### (1) Environment Surrounding the Financial System

The Japanese economy, though remaining in a difficult situation, is recovering moderately against the background of such factors as post-earthquake demand stemming from the Great East Japan Earthquake. This recovery is expected to grow firmly. However, at a time when uncertainties involving the European sovereign debt problem remain high, a sense of deceleration is spreading in the world economy. While such overseas economic conditions and their impact on financial and capital markets have become downside risks for the Japanese economy, attention should be paid to such factors as constraints on electricity supply and the impact of deflation. Also, the floods in Thailand and natural disasters such as typhoons in Japan had a greater impact on the insurance industry.

Under such situation, life insurance companies generally secured net income in the fiscal year ending in March 2012. General insurance companies, in contrast, posted

substantial profit decline due to such factors as a rise in insurance payments amid the increased frequency of natural disasters.

Meanwhile, the world economy has been dynamic, and special attention should be paid to movements in foreign economic conditions and financial and capital markets. In doing so, as globalization is progressing, it is important to enhance the resilience of the economic and financial system, and to minimize effects on Japan in the event of any crisis arising from global economic risks. Particularly in Europe, where the sovereign debt problem is growing more serious for some peripheral countries, the sovereign debt crisis is expected by some people to deepen and expand through the spread of sovereign credit fears to financial markets and institutions, and through the subsequent impact on the real economy. In the United States, there is downside risk stemming from such factors as the continued high unemployment rate and declining real estate prices. In emerging countries, attention should be paid to such matters as the speed of future economic expansion and hikes in real estate and other prices.

Considering the facts mentioned above, a close watch will have to be kept on risks surrounding insurance companies, including the impact that domestic and overseas economic trends, global fund flows and international commodity market trends exert on the financial system, and natural disaster risks. From the viewpoint of securing financial soundness, therefore, insurance companies must enhance their financial bases, including reserves, as resources for insurance payments, and make group-wide efforts to appropriately and precisely control various risks.

## (2) Approach Taken by Supervisory Authority

Under these circumstances, the FSA will continue to place Better Regulation as the basis (engaging in straightforward and in-depth dialogues with financial institutions, disclosing information, sharing information on the economic and financial situations in Japan and overseas, and improving the transparency and predictability of regulatory actions) and striving to have it become further embedded and deepened. For discussions with financial institutions, the FSA will consider utilizing a public-private roundtable. Especially, in customer protection and managing various risks appropriately, etc., financial institutions are strongly expected to be aware of each long-term managerial issue. They are also expected to conduct proactive managerial improvements, and make appropriate, prompt and responsible business judgments under the appropriate leadership of management. To this end, the FSA will continue to take the following approaches as the supervisory authority.

### 1) Financial Supervision and Administration with High Risk Sensitivity

In order to appropriately respond to currently conceivable risks, the FSA will gain a deeper understanding of the macro economy, and financial and capital markets, and deepen its understanding of how these affect the soundness of financial institutions, so as to identify and understand the risks which accumulate in each financial institution and in the financial system, from a forward-looking perspective. The FSA will also enhance the integration of on-site inspection and off-site monitoring to detect risks at an early stage.

In addition, in order to maintain and secure financial functions even in the event of

a contingency, the FSA should check whether financial institutions sufficiently assume major risks in their business continuation plans, review these plans as necessary, and implement relevant training, given experiences of the Great East Japan Earthquake last year (2011), previous system glitches, and the possibility of future rolling blackouts under constraints on electricity supply. Especially regarding IT systems, a backup system for failures is important because a problem with the system would have a substantial impact on insurance payments and business continuity.

2) Financial Supervision and Administration from a Citizen's and User's Point of View

The FSA will strive so as to further improve customer protection and convenience for users, by supervising from a citizen's and user's point of view.

3) Supervisory Response with a Forward-looking Perspective

The FSA will strive to take actions, being aware of the progress in international discussions and monitor environmental changes. In addition to a short-term response, it will also implement medium and long-term responses with an eye on the future, while considering common structural issues faced by Japanese financial institutions (strengthening profitability of their main business, etc.).

4) Supervisory Response which Contributes to Financial Institutions' Self-Improvement of their Management and Better Business Judgments.

The FSA will help financial institutions to improve their own management and make better business judgments via straightforward and in-depth dialogues and the disclosing of information. Above all, the FSA uses exchanges of opinions and other methods to introduce to other financial institutions the innovative initiatives of each financial institution concerning the performance of financial intermediary functions (insurance coverage in the case of insurance companies, etc.), risk management, improvement in customer protection and convenience for users, etc. It thereby works to enhance the quality of the entire financial industry.

When performing supervision, in addition to these approaches, the FSA will also emphasize the following points.

- In addition to performing joint interviews and encouraging closer cooperation with the Inspection Bureau, the FSA will also cooperate with foreign authorities via supervisory colleges, and proactively contribute to international standard-setting bodies.
- The necessity of collecting reports and submitted documents will be periodically reviewed once a year, as part of consideration for reducing the burdens on financial institutions.
- Through the thorough fostering, securing and training of specialized human resources, the FSA will redouble efforts for human resource development.

## 2. Appropriate Fulfillment of Guaranty and Compensation Functions

In the New Growth Strategy decided in the Cabinet in June 2010 and “The Action Plan for the New Growth Strategy,” which the FSA announced in December 2010, financial institutions are expected to support the real economy and enterprises. The financial sector is also expected to lead the economy as a growing industry itself. Furthermore, a financial strategy is cited as one of 11 growth strategies for the further enhancement of growth potential in the Comprehensive Strategy for the Rebirth of Japan, which was decided in the Cabinet in July 2012.

As insurance companies, etc. play the important role of providing a basis for people’s lives and economic activities by providing insurance coverage against various risks in social life as indicated by the Great East Japan Earthquake, it is important for insurance companies to secure their financial soundness and the adequacy of their business operations in line with 3 and 4 below.

Particularly, given that the timely and adequate payment of insurance benefits, etc. is the fundamental and the most important responsibility of insurance companies. They should take note of (1) below.

While disciplines under the Insurance Business Act are common to insurance companies, etc., the scale of operation differs among companies: it ranges from large groups engaged in proactive business development, including mergers and the diversification of business operations, and areas at home and abroad, to generally small firms, including small-amount and short-term insurance providers, and approved specified insurance providers. In consideration of this situation, the FSA must take supervisory actions according to the sizes and other attributes of insurance companies, etc. as described in (2) below.

In order to efficiently ascertain the actual practices, the FSA will continuously conduct focused off-site interviews in cooperation with the Inspection Bureau, based on the details of operations of insurance companies.

### (1) Development of Appropriate Management System for Insurance Payment

- 1) With the awareness that the payment of insurance benefits is the most important responsibility of insurance companies, the FSA will continuously place priority on checking whether their payment management systems are working organizationally, continually, and sufficiently.

In order to exclude the payments of unreasonable insurance claims by antisocial forces, etc., the FSA will also focus on checking whether insurance companies appropriately enhance examinations at the stage of both contract and payment, through utilizing the related systems, such as the “registration system for information of insurance policies,” the “reference system for examination,” and make those examination functions work.

- 2) Particularly, the FSA will examine closely whether internal control systems have been developed and implemented to provide claim guidance, etc. to each customer swiftly and appropriately from the viewpoint of customer protection and convenience for users, where the event that gives rise to an insurance claim occurs. The systems mentioned above include the mechanism whereby an insurance company that receives

an insurance claim also advises the claimant on other claims available at the same time.

- 3) The FSA will encourage insurance companies, etc. to, even in normal times, continue the approaches they performed on claim payments related to the Great East Japan Earthquake as active initiatives taken from the viewpoint of insurance policyholders, and the prompt payment of insurance benefits, etc.

## (2) Actions According to Attributes of Insurance Companies, etc.

### 1) Insurance Groups

With regard to insurance groups, in light of cases where losses recorded by a financing subsidiary within a group have led to deteriorated business conditions for the entire group, the FSA will examine the operational appropriateness and financial soundness of groups as a whole in accordance with the Guideline for Financial Conglomerates Supervision, etc.

Particularly as each insurance group pursues a proactive expansion of overseas operations, the FSA will comprehend each group's management system for business operations of overseas bases (including subsidiaries and affiliates), joint ventures and partnerships with overseas business alliance partners, etc. For example, the FSA will check whether each group manages and controls overseas bases' business operations, legal compliance, and risk management sufficiently, swiftly, and appropriately. The FSA will also confirm whether each group appropriately manages overall risks in accordance with an increase or expansion in overseas bases. In doing so, the FSA will try to cooperate with overseas authorities as necessary.

The International Association of Insurance Supervisors (IAIS) has been working toward the creation of the Common Framework for Supervision of Internationally Active Insurance Groups (ComFrame) since July 2010. The FSA will also actively participate in international discussions on insurance group supervision.

### 2) Small and Medium-sized Insurance Companies

Cooperating with the Inspection Bureau more closely, the Supervisory Bureau will try to efficiently ascertain the actual conditions of small and medium-sized insurance companies through interviews on internal auditing and other operations according to the characteristics of their operations and risks.

It is important for new insurance companies to work on establishing new business models expected when entering into business, while building a legal compliance system. If they expand business operations rapidly or deviate from their original business models or business execution plans, they should also develop risk management systems meeting their actual business sizes and models. The FSA will execute in-depth supervision to lead new insurance companies to steadily and stably implement business operations and the commensurate protection of insurance policyholders.

As the investment environment has deteriorated due to such factors as global financial market turmoil and prolonged low interest rates, a rising number of small and medium-sized insurance companies have suspended their solicitation of insurance

products and focused only on the maintenance and management of existing insurance policies. The FSA will carefully monitor the business operations and risk management systems of those insurance companies that have become caretakers of the existing contracts.

### 3) Foreign Insurance Companies, etc.

While Japanese subsidiaries and branches of foreign insurance companies are expected to become part of the diverse Japanese insurance market participants by taking such measures as offering new services different from those of Japanese insurance companies, they belong directly or indirectly to their overseas head offices or holding companies, beyond the reach of the Japanese legal jurisdiction. As such their sufficient and appropriate control and administration of Japanese operations may not function, depending on the management or administration approaches of their head offices or holding companies. Therefore, they should be given sufficient power and responsibility so that they can develop internal control and management control systems in Japan, and have clear decision-making processes; it would be appropriate for branches to be incorporated as a local company depending on their sizes and the content of their business operations.

With these points in mind, the FSA will execute in-depth supervision of management and risk control at Japanese subsidiaries and branches of foreign insurance companies. In doing so, the FSA will exchange views with the relevant authorities of such companies' home countries, via supervisory college frameworks, etc. and with the top management of their overseas head offices or holding companies, as necessary.

### 4) Small-Amount and Short-Term Insurance Providers

As for small-amount and short-term insurance providers, the FSA will conduct guidance and supervision regarding their control and administration systems, their financial soundness, the adequacy of their business operations, etc. from the viewpoint of customer protection, based on their business sizes, products, solicitation methods, etc. As for such insurance providers that are identified as having financial and other problems, the FSA will carefully monitor their conditions.

The FSA will make efforts to shorten product examination periods and will conduct an effective verification that products are unlikely to lack in customer protection.

### 5) Approved Specified Insurance Providers, etc.

As for the approval of specified insurance businesses under the “Act for Partial Revision of the Act for Partial Revision of the Insurance Business Act, etc.” (2010 Act No.51), the FSA will appropriately respond to consultation requests from applicants for such approval and try to smoothly implement screening and administrative procedures for the approval in consideration of the deadline for applications at the end of November 2013.

The FSA will implement careful guidance and supervision on cash flow, the adequacy of business operations, etc. at approved specified insurance providers from

the viewpoint of customer protection.

### 3. Promoting the Sophisticated Risk Management

Given the diversification and complication of risks for insurance companies, the deterioration of the European debt problem, international supervisory trends, etc., the FSA will continue efforts to secure insurance companies' financial soundness by encouraging them to improve risk management and implement appropriate information disclosure. Since sophisticated risk management approaches and relevant regulatory and supervisory frameworks must be developed for improving risk management, the FSA will consider introducing an economic value-based solvency assessment.

#### (1) Encouragement for Enterprise Risk Management (ERM)

- 1) Given the diversification and complication of risks surrounding insurance companies, the FSA will continue to encourage them to not only ensure their capital bases and appropriate disclosure of financial information but also develop integrated risk management systems to comprehensively manage and control all risks through their entire business operations in conformity with their business strategies. In promoting the sophistication of risk management systems, the FSA will use insurance companies' self-assessment of their risk management systems and ERM interviews to check whether they have developed risk management systems appropriate for their sizes and risk characteristics in view of their capital conditions under the leadership and strong commitment of their top managers.
- 2) It has become more important to manage insurance underwriting risks and market risks, including responses to the emergence of tail risks, such as the financial market turmoil stemming from the frequent natural disasters at home and abroad and the deterioration of the European debt problem. Given this situation, the FSA will examine how insurance companies appropriately capture, measure, reduce, and adjust risks based on risk-monitoring and stress test results and mitigate risks through hedging transactions, reinsurance, etc. to maintain their sufficient solvency margins and stable business bases. The FSA will also verify the effectiveness of these initiatives.
- 3) For the examination of risk management systems, the FSA will encourage initiatives in accordance with each insurance company's features and monitor for example, the status of asset liability management (ALM) corresponding to the insurance company's liabilities characteristics, not just plainly oversee and assess risk management conditions. The FSA will also check whether each insurance company has developed sufficient risk management systems, including sales management and timely, adequate product revisions, in a manner to meet the characteristics of distribution channels and insurance products.
- 4) While insurance companies take such measures as mergers and overseas business expansion under their proactive business development in response to the current tough business environment, they are required to develop appropriate risk management systems on a group-wide basis in parallel with making such business development efforts. Regarding such groups, the FSA will focus on examining corporate governance and IT system integration progress at holding companies, etc., the development and

effectiveness of group-wide integrated risk management systems, etc. As for groups with overseas insurance business bases (including overseas subsidiaries), the FSA will examine risk management systems involving operations at overseas business bases in consideration of the recent emergence of accumulated risks for great overseas disasters.

5) The FSA will also encourage initiatives for each of the insurance companies to ensure confidence from the markets, by disclosing information which contributes to an accurate understanding of the company's financial status and risk information, such as material financial information including the solvency margin ratio and financial instruments held.

(2) Review of Solvency Assessment, etc.

1) Economic value-based solvency regimes, which contribute to the proper understanding of the financial conditions of insurance companies as well as to the sophistication of their risk management by evaluating their assets and liabilities on a market consistent basis, are being studied even by organizations such as the IAIS in recent years.

Under such circumstances, the FSA will continue to consider introducing the regulatory regime in cooperation with professional organizations, such as the Institute of Actuaries of Japan and the Non-Life Insurance Rating Organization of Japan, considering relevant international discussion trends.

2) In view of finalizing the Insurance Contracts project by the International Accounting Standards Board, the FSA will continue to advance considerations on how the statutory accounting in the insurance industry should be over the medium term.

Furthermore, prior to the project being finalized, the FSA will promote examination for any necessary convergence with currently effective International Financial Reporting Standards.

#### 4. Improvement of Customer Protection and Convenience for Users

Improving customer protection and increasing convenience for users in financial institutions not only contributes to developing a sound national economy, but also helps to stabilize the Japanese financial system by enhancing citizens' trust in financial institutions. In particular, an insurance company provides a broad range of security and compensation functions to prepare against unexpected situations for its customers, and must be able to swiftly and reliably demonstrate those functions when needed. Therefore, it is important for each company's management to fully demonstrate leadership, and ensure business continuity and thoroughly implement strict control of customer information, solicitation and insurance benefit payments, to build a sense of security and trust among their customers. Based on this, it is important to provide insurance products and services from the customer's viewpoint, using innovative ideas which more accurately meet customer needs.

For customer protection, nominal compliance with laws is insufficient; financial institutions should fully understand the effects and purposes of specific laws, identify compliance levels required by customers and society, as highly public, reliable financial institutions, and meet their expectations. To this end, financial institutions must also recognize that complaints and requests for consultations from customers may provide them with opportunities to discover potential customer needs, and must respond appropriately and actively.

Considering the above, in this program year, the FSA will intensively assess the efforts of financial institutions that aim to improve customer protection and convenience for users, in accordance with its supervisory guidelines. In doing so, the FSA will respect the self-improvement efforts of each insurance company, and proceed with supervision in a manner that places emphasis on the incentives to make them take such efforts. The FSA will also pay attention to (1) under what kinds of management policies insurance companies are providing what kinds of products and services to customers with what kinds of attributes, (2) whether there are warped incentives that may arise due to pursuing short-term profits or the existence of conflicts of interest, (3) whether an internal checking system for employees, including executives, has been developed to verify that management policies are thoroughly implemented by the sales staff. Meanwhile, the FSA will cooperate with the Consumer Affairs Agency as necessary.

In the previous program year, particularly, various questions were raised, including entrusted financial institutions' desirable roles, in regard to the investment and management of pension funds. The FSA will confirm whether insurance companies take appropriate actions for securing the reliability of pension fund investment and management, and make positive responses to information and consultation requests from customers, in line with the government and the financial industry to prevent pension fund investment and management problems.

##### (1) Ensuring Business Continuity

###### 1) Examination of the Information System

Computer systems of financial institutions are at the core of their business operations. These computer systems have a strong public aspect as social infrastructure. If a failure occurs, it could have a large impact on user convenience and society, and

could inevitably lead to the financial institution's losing credibility. The FSA will thus place priority on overseeing whether each insurance company identifies the risks of its management information systems, whether it secures sufficient system resources reflecting changes in the IT environment, whether it has implemented proper management strategies regarding information system investments, including staff deployment and education, risk management strategies in the event of system failure, and internal control.

In this regard, the FSA will bear the following points in mind: i) whether top managers of financial institutions fully recognize the prevention of computer system glitches and the prompt recovery from such glitches as great business challenges and have built sufficient relevant systems (for example, whether financial institutions outsourcing computer system management have taken measures such as the appropriate internal distribution of system experts to undertake system management without leaving everything to outsourcees), ii) whether financial institutions have fully understood the details of outsourced systems, specified how to share roles, responsibilities, etc. with outsourcees in advance and made monitoring arrangements including outsourcees, etc.

## 2) Validation of Business Continuity System

Being mindful of the experience of the recent Great East Japan Earthquake, the FSA will verify whether financial institutions conduct self-assessments as to whether their existing business continuity plans (BCPs) have effectively functioned; whether they sufficiently assumed major risks, such as earthquakes and other natural disasters, pandemic influenza and large electricity blackouts; and whether they built up sufficient countermeasures, etc. The FSA will also identify whether financial institutions have confirmed the effectiveness of their BCPs (including securing fuel, staff for continuing business operations, system back-up measures, and customer service regarding insurance payments, etc.) and have reviewed these plans as necessary through training.

Among measures for the immediate future, financial institutions are implementing electricity-saving measures throughout Japan, including regions covered by Hokkaido Electric Power Co., Kansai Electric Power Co., Shikoku Electric Power Co., and Kyushu Electric Power Co., as electricity supply decreases with nuclear power plants halted. In some regions (including those covered by Kansai Electric), financial institutions are preparing for rolling blackouts as a precaution. Given such circumstances, the FSA will identify each financial institution's electricity-saving measures and whether business continuity could remain unaffected at system centers and other key business bases. Given that system glitches and other problems have occurred even in regions other than those subject to rolling blackouts, the FSA will confirm whether financial institutions and their outsourcees check the preparation of BCPs, the establishment of private power generators and back-up centers, and training for securing the effectiveness of BCPs as necessary.

## (2) Thorough Management of Information Security

Customer information forms the basis of financial transactions, and it is important to strictly manage it from the viewpoint of protecting personal information. Furthermore, it is important to strictly manage corporate information in order to increase trust in market

transparency and fairness. From these viewpoints, the FSA will strongly encourage the appropriate maintenance of internal management systems for information security, and the enhancement of rules on professional conduct to prevent inappropriate actions (such as information leaks or insider trading).

Also, after reviewing firewall regulations, the FSA built a principle-based framework of encouraging financial institutions to develop their voluntary conflict-of-interest management systems. In this respect, the FSA will verify whether financial institutions attempt to take accurate measures to harmonize improved customer convenience with the conflict-of-interest prevention.

### (3) Development of Proper Management Systems for Selling Insurance Products

In distributing insurance products, it is very important for insurance companies, etc. to provide easy-to-understand explanations based on customers' knowledge, experiences, etc. in view of these products' characteristics. Therefore, the FSA will use reports from insurance companies, etc., results of inspections by the Inspection Bureau, information from the Counseling Office for Financial Services Users, etc. to verify insurance companies' compliance with rules for sales and solicitation of insurance products, their development of systems for explanations giving consideration to customers' needs, knowledge, experiences, etc., and their oversight of insurance agents. The FSA will also check whether insurance agents have developed appropriate insurance product distribution management systems meeting the channels, scales, and characteristics of the distribution. Particularly, the FSA will pay attention to the following points:

- 1) Given that the diversification of direct and other insurance product distribution channels and the expansion of insurance agents have made progress, the FSA will try to comprehend actual conditions and check insurance product distribution systems and insurance companies' control and oversight of distributors from the viewpoint of protecting insurance policyholders, etc.
- 2) Regarding over-the-counter sales of insurance products at banks, etc., the FSA will continue to verify compliance with insurance product distribution rules, including measures for preventing the detrimental effects of such sales.
- 3) The FSA will verify whether appropriate, easy-to-understand labeling for an indefinite number of people, including insurance policyholders and insured persons, is secured for advertisements, television commercials, and other materials for distributing insurance products.

### (4) Enhancement of the Framework for Processing Consultations and Complaints from Customers

- 1) It is extremely important for insurance companies to have proactive, swift, and appropriate consultations and complaint handling, in order to ensure customer's trust in products and services, and to positively utilize the customers' needs for better management of business. From this viewpoint, the FSA will assess whether insurance

companies develop an internal management system, under the involvement of the top management, for maintaining a consultation counter, analyzing the causes of consultations and complaints, sharing information within the institution, taking measures and notifications to prevent a recurrence of complaints, and following up the implementation of these measures, in an appropriate manner.

2) Also, in connection with the financial Alternative Dispute Resolution (ADR) system, the FSA will carefully watch whether financial institutions are:

i) making sincere efforts for quick dispute resolution, such as active disclosure of required information;

ii) preparing arrangements for facilitating easy use of the system nationwide;

iii) introducing the ADR system to customers as needed when they make consultations; and

iv) providing explanations anew on the ADR system when customers' consent is difficult to obtain between parties or when financial damages are difficult to determine.

#### (5) Accelerate and Ensure Effectiveness of Product Examinations

Insurance companies must meet insurance needs that have been diversified due to social and economic changes, including the diversification of citizens' values and lifestyles, and the rapid decreasing birthrate and aging population. Meanwhile, it is also important to make insurance products simple and easy-to-understand from the viewpoint of protecting insurance policyholders. Given these points, the FSA will appropriately screen insurance products.

In screening insurance products, the FSA will give consideration to allowing prompt product revisions to be made through such measures as pre-screening exchange of views with insurance companies, in order to contribute to insurance companies' development of well-designed products.

#### (6) Efforts to Cut Relations with Antisocial Forces

The FSA will encourage insurance companies, etc. to enhance efforts to make a system to exclude antisocial forces from insurance policies while taking the characteristics of insurance contracts, etc. into account.