

MS&AD Quarterly News (2nd Quarter, 2011)

October 25, 2011
MS&AD Insurance Group Holdings, Inc.

Selected topics for the fiscal 2011 second quarter (from July to September, 2011) are set forth below.

1. Summary of sales (simple aggregate) for MSI and Aioi Nissay Dowa Insurance for the fiscal 2011 second quarter (July to September, 2011)

* Health insurance sales are included in total sales of personal accident insurance and major insurance classes (preliminary results basis)

In the second quarter, revenues for all lines of insurance, including voluntary automobile insurance, the core driver, increased by 3.8% in total.

(Millions of yen)

Lines of insurance	Q2 (Jul to Sept 2011)		Fiscal year-to-date (Apr to Sept 2011)	
	Premiums	Growth rate (%)	Premiums	Growth rate (%)
Voluntary Automobile	285,692	2.4%	597,494	1.3%
CALI	76,907	9.5%	150,392	7.8%
Fire	97,376	5.3%	195,411	5.5%
Personal Accident	56,590	2.6%	107,223	3.7%
Miscellaneous	71,605	3.5%	160,578	1.6%
Cargo and Transit	24,172	0.6%	54,307	1.4%
Total	612,341	3.8%	1,265,406	2.9%

2. Selected Press Releases (Jul to Sept 2011) * announcement dates are shown in parentheses

(1) MS&AD Holdings

Mitsui Sumitomo Kirameki Life Insurance, Aioi Life Insurance win approval for merger (September 20)

The Financial Services Agency on September 20 approved the merger of Mitsui Sumitomo Kirameki Life Insurance Co., Ltd. and Aioi Life Insurance Co., Ltd., which joined to become Mitsui Sumitomo Aioi Life Insurance Company, Limited as of October 1. As a major player in the domestic life insurance business in the MS&AD Insurance Group, the new company will continue seeking to enhance Group corporate value.

(2) Group companies

1) Domestic business

New “Total Loss Expenses in Earthquake, Volcanic Eruption or Tsunami Optional Coverage (fixed amount)” to be offered with voluntary automobile insurance (August 10)

MSI will offer the new “Total Loss Expenses in Earthquake, Volcanic Eruption or Tsunami Optional Coverage (fixed amount)” to its voluntary automobile insurance starting January 1, 2012. Taking a hint from automobile owners wishing for compensation for vehicle damage from the Great East Japan Earthquake and subsequent earthquakes, the rider will ensure that disaster victims have the replacement vehicles they need for their daily lives.

“New Long” long-term automobile policies pass one million (August 19)

As of the end of July 2011, more than a million policies are in effect for “New Long,” MSI’s new long-term automobile insurance product. Many customers have patronized “New Long” since it was first offered on October 1, 2010. The number of policies has grown at a pace of about 100,000 each month, helping the product to reach the million-policy milestone in a mere 10 months.

Sales begin of selectable currency individual pension insurance with new services (September 2)

Mitsui Sumitomo Primary Life Insurance Co., Ltd. has begun selling a new form of selectable currency individual pension insurance (foreign-denominated fixed pensions) with enhanced services, including a “notification service of reaching yen based target value” (which sends notices by post when the yen equivalent of a policy’s cash value meets or exceeds a target value set by the policyholder), and a service to add the assumed interest rate to policies of at least a set principal sum.

Development of “Navigation system for adding Earthquake Insurance during a term” system promoting subscriptions to earthquake insurance among existing policyholders (September 30)

MSI has developed and begun using “Navigation system for adding Earthquake Insurance during a term” a system that encourages existing policyholders to add earthquake insurance. The ground-breaking system starts with a list of MSI fire insurance policyholders who do not have earthquake insurance and makes it easy to prepare guides to subscribing in mid-policy and give quotes. Introduction of the system has led to an approximately 30% growth year-on-year in the number of earthquake insurance policies at MSI.

2) Overseas business

Chinese overseas affiliate’s “Zhejiang Branch Office” opens for business (July 21)

Aioi Nissay Dowa Insurance’s Chinese affiliate, Aioi Nissay Dowa Insurance (China) Company Limited, obtained approval on July 8 from the China Insurance Regulatory Commission to start business at the Zhejiang Branch, which subsequently opened on July 22. Zhejiang Province is located in the Huadong Economic Zone, south of and adjacent to the city of Shanghai. It ranks fourth in GDP, behind Guangdong. The opening of a branch in Zhejiang Province is a first for a Japan-affiliated general insurance company.

Indonesian Insurer “PT Asuransi Jiwa Sinarmas MSIG” Commences Operations (August 18)

Final approval was given from the Indonesian Ministry of Finance on August 12 to launch operations of a strategic alliance that MSI agreed to on May 2 with PT Asuransi Jiwa Sinarmas (“Sinarmas Life”), an Indonesian life insurer under the Indonesian business group Sinar Mas. Operations under the name “PT Asuransi Jiwa Sinarmas MSIG” started the same day that approval was obtained. MSI previously subscribed to new shares of Sinarmas Life through a third-party allotment on July 1, 2011, thus becoming a 50% partner. With the final approval just granted, MSI officially started its life insurance business in Indonesia.

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