

# SAIKYOSAIREN

Japan Reinsurance Federation of Consumers' Cooperatives

FACT BOOK 2022

*Report on FY2021 Results*

One for All, All for One



# President's Statement



Firstly, I would like to express my sincere gratitude for your cooperation and continued support of the business operations of Saikyosairen.

As a reinsurance center for Japanese mutual aid cooperatives, Saikyosairen contributes to the stabilization and development of our members' business through cooperative reinsurance, facilitating fellow cooperatives to strengthen their relationships among each other.

This is in line with our corporate management philosophy "One for all, all for one," which is based on the core principle of mutual cooperatives and its spirit in supporting each other.

We are currently moving forward with 4 visions based on our "FY2021-2022 management plan" and particularly achieved a key goal "expansion of members and inward business", where we newly obtained one new cooperative member at the end of March 2022.

Unfortunately, there was another series of significant natural catastrophic events this past year. Typhoon Rai (known locally as Super Typhoon Odette) with wind gust at 75m/s (equivalent to 270km/h) hit the Philippines in December 2021, indicating that we could see a super typhoon making a landfall in Japan in the near future.

Moving into the year 2022, in January, we had Hunga Tonga–Hunga Ha'apai eruption, the large-scale eruption of a submarine volcano in the Tongan archipelago in the Southern Pacific Ocean and tsunami as a result of the eruption which travelled nearly 8,000km to reach the Japanese coastlines. Focusing on the Japanese events, there was a strong earthquake with the JMA\* intensity 6+ recorded in Fukushima Prefecture in March, while there was another earthquake in June with the JMA intensity 6- recorded in the Noto Peninsula that projects north into the Sea of Japan from the coast of Ishikawa Prefecture. Looking back at the year, I believe that natural catastrophe events have been on a rampage, where risks surrounding our daily life are being increased.

Under such circumstances, FY2022 is the final year of the management plan formulated as a two-year plan. While further challenging environment is expected, through steady efforts to address the issues under the management plan, we will endeavor to fulfill the role and mission of Saikyosairen.

We are pleased to announce the publication of our disclosure paper "Fact Book 2022" which provides an overview of our business and various activities in FY2021. We humbly ask for you to read the Fact Book and we hope that you reach a better understanding of Saikyosairen.

\*JMA: Japan Meteorological Agency

August, 2022

A handwritten signature in black ink, reading "野田 三七生" (Noda Minao).

Minao Noda

President of Saikyosairen

# SAIKYOSAIREN

Reinsurance Center for Japanese Cooperatives

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# Saikyosairen as a Cooperative

## About Saikyosairen

Saikyosairen is the only consumer cooperative that specializes in reinsurance business for cooperatives. Through Fire, Natural Perils, Life, Traffic Accident and Automobile reinsurance business, we contribute to the “stabilization of the management of member cooperatives and sound development of their business operations.” At the same time, we also make great efforts to fulfill our functions “to reinforce the collaboration between those members and other cooperatives” and “to support the business thereof.”

### 1. Outline

Formal Name	: Japan Reinsurance Federation of Consumers’ Cooperatives (abbr. Saikyosairen)
Established	: 13th January 1975
President	: Minao Noda
Regulated Law	: The Consumers’ Livelihood Cooperative Society Law
Authority	: The Ministry of Health, Labor and Welfare
Members	: 66 members*
Membership Fund	: JPY 6.7 billion*
Staff	: 15 staff*
Business Conducted	: Saikyosai (Reinsurance specialized for cooperatives)

\*As at 31st March 2022

### 2. Organization Chart



**Minao Noda**  
President



**Hiroshi Suzuki**  
Senior Managing Director



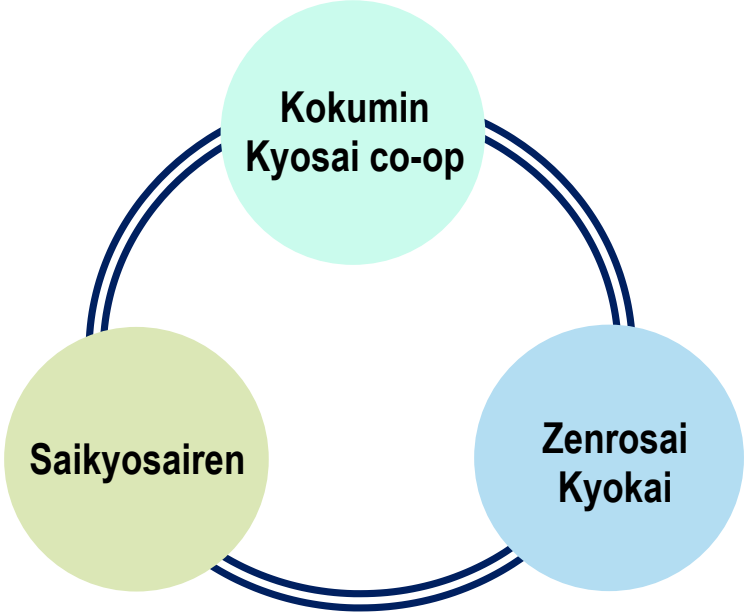
### 3. Member Cooperatives ※Total 66 members (As at 31st March 2022)

<b>Workers Cooperatives based on Prefecture</b>		<b>47 members</b>
Federation of Prefectural and Workers Cooperatives (members not listed)		
<b>Nationwide Workers Cooperatives based on Occupation</b>		<b>8 members</b>
Shinrin Rohren Kyosai	Japan All Forest Relating Industry Workers' Insurance Cooperative Society	
Jichiro Kyosai Seikyo	All Japan Prefectural and Municipal Workers' Cooperative Society	
Zensuido Kyosai	All Japan Water Supply Mutual Aid Cooperative Society	
Zentobacco Seikyo	All Japan Tobacco Workers' Cooperative Society	
Kyousyokuin Kyosai Seikyo	Teachers Mutual Aid Cooperative Society	
Zenkoku Koun Kyosai Seikyo	National Traffic Industry Workers' Mutual Aid Cooperative Society	
Dentsu Kyosai Seikyo	Telecommunications, Electronic Information and Allied Workers' Insurance Cooperative	
JP Kyosai Seikyo	Mutual Aid Cooperative for Postal Workers	
<b>Cooperatives based on Occupation</b>		<b>4 members</b>
Shuhan Seikyo	National Consumer Co-operatives for Liquor Stores	
Tobacco Hanbai Seikyo	The National Co-operation Society of Tobacco Retailers	
Zentoku Seikyo Kumiai	Zenkoku Yubin Kyokucho Seikatsu Kyodo Kumiai	
Boueisyoun Seikyo	Consumer Cooperative of Ministry of Defense	
<b>Cooperatives Federation</b>		<b>2 members</b>
Kokumin Kyosai co-op	National Federation of Workers and Consumers Kyosai Cooperatives	
CO-OP Kyosairen	Japan CO-OP Insurance Consumers' Cooperative Federation	
<b>Citizen's Cooperatives</b>		<b>2 members</b>
Kyoto Shimin Kyosai	Kyoto Citizens' Cooperative Society	
Kobe Shimin Seikyo	Kobe Citizens' Cooperative Society	
<b>Small &amp; Medium-sized Business Cooperatives</b>		<b>3 members</b>
IHD Kyosai	International Human Development Mutual Aid Cooperative	
Zenbeihan	Japan Rice Millers' and Distributors' Cooperative	
Nikkaren	National Federation of Fire Insurance Co-operatives for Small Business	

#### 4. About Kokumin Kyosai co-op Group

Saikyosairen is one of the entities in the Kokumin Kyosai co-op Group. The Kokumin Kyosai co-op Group consists of three core organizations.

※Zenrosai has newly established the name Kokumin Kyosai co-op from June 2019. The group name has also changed to Kokumin Kyosai co-op Group.



<p><b>Kokumin Kyosai co-op</b> ( Est. 29th September 1957) (National Federation of Workers and Consumers Kyosai Cooperatives)</p>
<p>Kokumin Kyosai co-op is a national federation established under 'The Consumers' Livelihood Cooperative Society Law, in operation of Kyosai business. It consists of 47 prefecture-based cooperatives, 8 occupation-based cooperatives and 3 cooperative federations.</p>
<p><b>Saikyosairen</b> ( Est. 13th January 1975) (Japan Reinsurance Federation of Consumers' Cooperatives)</p>
<p>As the only entity to arrange 'Saikyosai' (Reinsurance specialized for cooperatives), Saikyosairen supports original members by providing 'Saikyosai' to assist in securing the stability and development of their business operations as well as reinforcing the collaboration between each cooperative through its provision of 'Saikyosai.'</p>
<p><b>Zenrosai Kyokai</b> ( Est. 1st June 2004) (National Association for Workers' Welfare and Cooperative Insurance)</p>
<p>Zenrosai Kyokai provides mutual aid services through the research and study of the life and welfare of workers. Services include municipality associated Keicho insurance, Fire and Auto insurance for corporative bodies, as well as provision of Fire and Auto insurance as an insurance agency.</p>

## 5. Associated Organizations

Saikyosairen collaborates with the following organizations for the purpose of developing insurance business for cooperatives and activities among cooperatives and workers' welfare.

**Japan Cooperative Insurance Association Incorporated (JCIA)**

JCIA promotes the sound development of the cooperative insurance business by contributing to stabilizing the lives and improving the welfare of people engaged in the agriculture, forestry and fisheries industries through providing information, publicity and consultation activities in respect of cooperative insurance business to its members.

**International Cooperative and Mutual Insurance Federation (ICMIF)**

ICMIF is a global trade association representing cooperative and mutual insurers. It conducts various research and studies for its members. Saikyosairen joined ICMIF in September 2006 in order to further strengthen the relationship with cooperatives and mutual insurers around the world.

**National Council of Workers' Welfare (Chuo Rofukukyo)**

National Council of Workers' Welfare is a central organization of welfare. It comprises of prefectural labor organizations, workers' welfare organizations, national federations of consumer cooperatives and Workers' Welfare organizations.

## 6. History of Saikyosairen and Natural Perils Policy

Since 1975 when Saikyosairen was founded as “Tansan Kyosai Rengokai,” it has gone through the organizational changes described as below. Saikyosairen now assumes a role in the current organization as the “Reinsurance Center.”

1975	“Tansan Kyosai Rengokai” (Precedent organization of Saikyosairen) was formed to operate Auto insurance business.
1980	Reestablished as “Jidosha Kyosairen,” due to business expansion and unification with Rosairen (Now known as Kokumin Kyosai co-op).
1987	<p><b>Reorganization as “Zenrosai Saikyosairen”</b></p> <p>Started to write reinsurance business for Automobile, Motorized Bicycle, Fire, Comprehensive (Keicho), Traffic Accident and Life in December 1987.</p> <p>Ceased to accept the insurance business for Automobiles and Motorized Bicycle and transferred it to Zenrosai and each industrial cooperative member. Started to provide claims services and data processing for Automobile insurance as a commissioned business.</p>
2000	<p><b>Natural Perils Policy Launch</b></p> <p>Started to write Natural Perils reinsurance business and placed the reinsurance for the group in the international reinsurance market.</p>
2004	<p><b>Consolidation of Automobile Insurance Business into Zenrosai and Founding of Specialized Organization for Reinsurance</b></p> <p>Consolidated Automobile insurance business of Workers Kyosai Group into Zenrosai on 1st October 2004 and became the only Japanese organization that specialized in reinsurance business for cooperatives.</p>
2006	<p><b>Rebranding to “Saikyosairen”</b></p> <p>Renamed as “Japan Reinsurance Federation of Consumers’ Cooperatives” (abbr. Saikyosairen). Officially made a fresh start as “Reinsurance Center” for all Kyosai organizations.</p>



## 1. Reinsurance Sector

### (1) Types of Reinsurance (Saikyosai) and Services

Saikyosairen offers the following seven types of reinsurance under license from the Ministry of Health, Labor and Welfare.

Type of Reinsurance	Type of Service
Fire	Quota Share, Surplus, Excess of Loss
Natural Perils	Quota Share, Excess of Loss
Comprehensive (Mutual Aid Benefit aka Keicho)	Quota Share, Surplus, Excess of Loss
Life	Quota Share, Surplus, Excess of Loss
Traffic Accident	Quota Share, Surplus, Excess of Loss
Automobile	Quota Share, Excess of Loss
Compulsory Automobile Liability Insurance	Assume reinsurance of CALI within the Kokumin Kyosai co-op group. Provide an administrative service for mutual pooling and report to the government in accordance with the Automobile Liability Security Act.

### (2) What is Saikyosai?

- ◇ Reinsurance provision for cooperatives (agreement between Saikyosairen and members)
- ◇ The purpose is to secure members' business stability through risk diversification

Saikyosai is a method available to cooperatives who runs insurance business, to transfer all or part of their risks. In essence, it functions as insurance coverage for cooperatives.

In order for member cooperatives to offer long and stable coverage to their policyholders, the large potential losses must be accounted for, especially those of earthquake and windstorms.

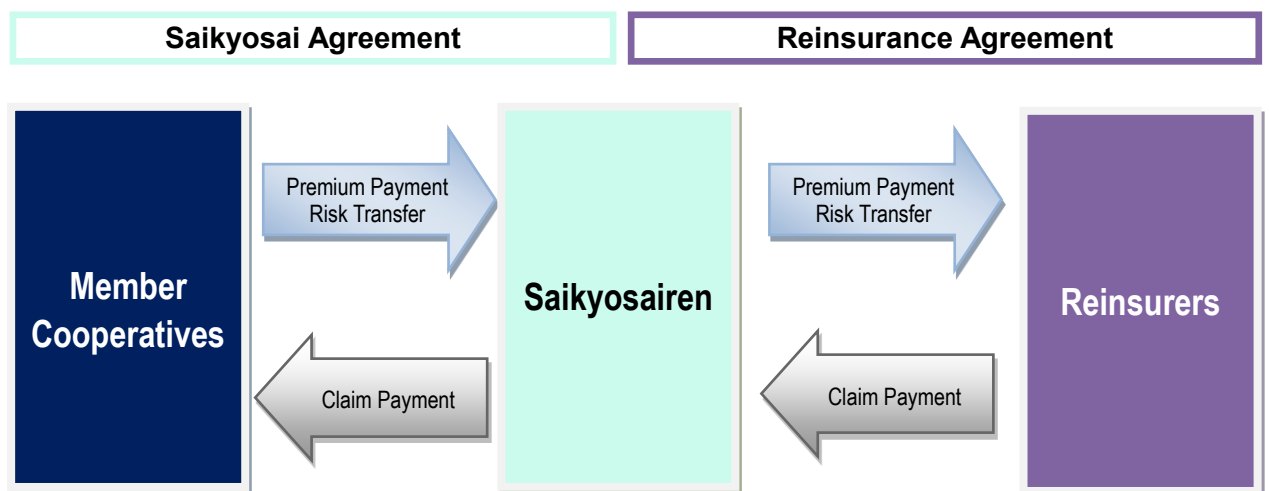
Saikyosai enables cooperatives to reduce risk retention, thus stabilizing its business and to provide variety of coverage for ever-diverse needs of their policyholders.

## 2. Ceding to the Global Reinsurance Market

In order to maintain sound business operations, Saikyosairen utilizes global reinsurance markets to divert part of the assumed risks internationally.

Specifically, we recognize securing ways to transfer Earthquake and Windstorm aggregated risks to be our primary mission. Therefore, we work with reinsurers to establish reinsurance provisions that will ensure stability for the long term, while also promoting the values and principles of Japanese cooperatives to the Reinsurance market.

As a result, during the Tohoku Earthquake, due to the speedy recovery of reinsurance claims from our reinsurance partners, we were able to smoothly process reinsurance claims payments to our members.





## 1. Contract Status

The number of policies decreased by 0.19 million (-1.0%) to 18.6 million as a result of decreases in Comprehensive, Traffic Accident, and Fire policies from the previous fiscal year which offset increases in Auto and other policies.

The total number of contract units decreased by 0.6% to 1.4 billion units.

	Fire	Natural Perils	Comprehensive	Traffic Accident	Life	Auto	CALI*	Consolidated Total
Number of Policies (Unit:1,000)	4,401	2,393	7,798	2,693	107	1,026	267	18,687
Variance from FY2020	-24	7	-118	-91	-9	29	11	-196
% Change	-0.6%	0.3%	-1.5%	-3.3%	-8.1%	3.0%	4.6%	-1.0%
Number of Units (Unit:1,000)	859,221	496,367	26,412	61,936	1,035	13,648	267	1,458,890
Variance from FY2020	-8,100	1,202	-380	-2,253	-217	379	11	-9,357
% Change	-0.9%	0.2%	-1.4%	-3.5%	-17.3%	2.9%	4.6%	-0.6%

\*CALI = Compulsory Automobile Liability Insurance

## 2. Profit and Loss Performance

### (1) Cooperative Reinsurance Sector ※CALI excluded

#### ① Gross Reinsurance Premium

The total gross reinsurance premium income increased by JPY 0.58 billion (2.7%) year on year to JPY 22.43 billion as a result of higher income from Comprehensive and Natural Perils, which offset lower income from Traffic Accident and Life.

#### ② Gross Reinsurance Claims

The total gross reinsurance claims were JPY 19.57 billion, a decrease of JPY 0.03 billion (-0.2%) year on year, due to the absence of major natural disasters.

## 【Reinsurance Business Performance】

(Unit: JPY millions)

	Fire	Natural Perils	Comprehensive	Traffic Accident	Life	Auto	Reinsurance Total	CALI	Consolidated Total
Gross Reinsurance Premium *1	3,685	17,579	542	421	44	163	22,437	5,490	27,928
Variance from FY2020	45	549	75	-84	-2	3	587	-350	237
% Change	1.3%	3.2%	16.3%	-16.7%	-5.5%	2.4%	2.7%	-6.0%	0.9%
Gross Reinsurance Claims *2	3,198	15,659	246	355	30	79	19,570	5,394	24,964
Variance from FY2020	-265	572	-114	-235	-6	14	-34	-313	-348
% Change	-7.7%	3.8%	-31.8%	-39.9%	-17.0%	22.2%	-0.2%	-5.5%	-1.4%
Operating Surplus *3	132	314	7	117	12	91	676	—	676
Change (Amounts)	3	24	-27	-6	4	-49	-50	—	-50

(NB)

\*1. Gross Reinsurance Premium = Reinsurance Premium + Ceded Reinsurance Premium (Received) + Ceded Reinsurance Claims(Recovered)

\*2. Gross Reinsurance Claims = Reinsurance Claims + Ceded Reinsurance Claims(Paid) + Ceded Reinsurance Premium (Paid) etc.

\*3. Operating Surplus = Gross Reinsurance Premium - Gross Reinsurance Claims + Investment Income - Investment Expenses - Operating Expenses ± Claim Reserves (Provision and Reversal) ± Liability Reserves(Provision and Reversal)

## (2) Investment Income

Investment income decreased by JPY 15 million (-15.5%) year on year to JPY 82 million due to a decrease in interest income as a result of the continued low interest rate environment. As a result, the investment yield was 0.16%.

## (3) Operating Expenses

Although property expenses increased due to depreciation of accounting systems and servers, personnel expenses decreased from the previous year due to a decrease in staff salaries and retirement benefit expenses as a result, overall expenses decreased by JPY 35 million (-10.7%) to JPY 297 million.

## (4) Surplus

### ① Ordinary Surplus

Ordinary surplus decreased by JPY 64 million (-8.0%) year on year to JPY 748 million due to an increase in transfer policy reserves despite an increase in gross reinsurance premium. After accounting for corporate taxes and corporate taxes adjustment, the surplus was JPY 548 million, which is JPY 41 million (-7.1%) lower than the previous year.

### ② Unappropriated Surplus for the Period

Unappropriated surplus for the period, after adding JPY 29 million of surplus carried forward from the beginning of the fiscal year, resulted in JPY 578 million (a decrease of JPY 23 million from the previous year).

### 3. Financial Statements ※FY2021 ending on March 31, 2022

#### (1) Balance Sheet

(Unit: JPY thousands)

	FY 2020	FY 2021	Differences	% Change
<b>I. Assets</b>				
1. Cash and deposits	27,965,553	31,904,268	3,938,715	14.1
2. Money-in-trust	-	-	-	-
3. Money due	5,500,000	6,000,000	500,000	9.1
4. Securities	20,061,353	17,471,413	-2,589,939	-12.9
5. Loans	-	-	-	-
6. Reinsurance accounts receivables	745,537	705,566	-39,970	-5.4
7. Other business assets	3,785,292	4,025,421	240,129	6.3
8. Advance payment provisions	12,378	13,634	1,256	10.1
9. Uncollected profits	15,980	13,449	-2,530	-15.8
10. Other assets	31,838	31,677	-160	-0.5
11. Fixed assets for business operation	16,380	16,023	-356	-2.2
12. Fund	88,026	88,026	0	0.0
13. Deferred tax asset	5,892,361	6,203,422	311,061	5.3
14. Allowance for bad debts	-	-	-	-
<b>Total Assets</b>	<b>64,114,701</b>	<b>66,472,905</b>	<b>2,358,204</b>	<b>3.7</b>
<b>II. Liabilities</b>	33,143,479	35,090,797	1,947,318	5.9
1. Policy reserves	31,059,242	33,060,632	2,001,390	6.4
2. Reinsurance accounts payables	596,618	507,629	-88,988	-14.9
3. Other insurance business liabilities	1,072,346	740,966	-331,380	-30.9
4. Expenses payables	7,545	5,864	-1,680	-22.3
5. Other liabilities	71,829	484,411	412,581	574.4
6. Allowance	90,553	34,273	-56,280	-62.2
7. Price fluctuation reserves	245,343	257,019	11,676	4.8
<b>III. Net Assets</b>	30,971,221	31,382,107	410,886	1.3
1. Members capital	30,786,512	31,261,410	474,897	1.5
(1) Membership fund	6,715,920	6,720,920	5,000	0.1
(2) Surplus	24,070,592	24,540,490	469,897	2.0
① Legal reserves	7,831,916	7,950,916	119,000	1.5
② Voluntary reserves	15,637,449	16,011,449	374,000	2.4
③ Unappropriated surplus for the period	601,226	578,124	-23,102	-3.8
(Surplus for the period)	590,063	548,275	-41,788	-7.1
2. Difference of value and etc.	184,708	120,697	-64,011	-34.7
<b>Total Liabilities and Net Assets</b>	<b>64,114,701</b>	<b>66,472,905</b>	<b>2,358,204</b>	<b>3.7</b>

## (2) Profit and Loss Statement

(Unit: JPY thousands)

	FY 2020	FY 2021	Difference	% Change
<b>Ordinary Income</b>	28,368,010	28,392,888	24,878	0.1
1. Gross Reinsurance Premium *1	27,690,688	27,928,204	237,515	0.9
2. Transfer from policy reserves	577,147	379,721	-197,426	-34.2
3. Investment income	97,421	82,356	-15,065	-15.5
4. Other ordinary income	2,752	2,606	-146	-5.3
<b>Ordinary Expenses</b>	27,554,293	27,643,892	89,598	0.3
1. Gross Reinsurance Claims *2	25,313,623	24,964,887	-348,735	-1.4
2. Transfer to policy reserves	1,907,178	2,381,111	473,933	24.8
3. Investment expenses	-	-	-	-
4. Operating expenses	333,491	297,892	-35,599	-10.7
5. Other ordinary expenses	-	-	-	-
<b>Ordinary surplus</b>	813,717	748,996	-64,720	-8.0
Extraordinary income	-	-	-	-
Extraordinary loss	13,517	11,676	-1,841	-13.6
<b>Surplus before taxes</b>	800,200	737,320	-62,879	-7.9
Corporate and other taxes	64,557	475,312	410,755	636.3
Adjustment of corporate and other taxes	145,579	-286,266	-431,846	-296.6
<b>Net surplus for the period</b>	590,063	548,275	-41,788	-7.1
Retained earnings from prior period	11,163	29,849	18,685	167.4
Payments from voluntary reserves	-	-	-	-
<b>Unappropriated surplus for the period</b>	601,226	578,124	-23,102	-3.8

\*1 Gross Reinsurance Premium = Reinsurance Premium + Ceded Reinsurance Premium (Received) + Ceded Reinsurance Claims (Recovered)

\*2 Gross Reinsurance Claims = Reinsurance Claims + Ceded Reinsurance Claims (Paid) + Ceded Reinsurance Premium (Paid) etc.

## 1. Risk Management

Saikyosairen identifies various risks surrounding organization management and business operations to execute appropriate risk management according to the characteristics of each risk.

We strive to strengthen our risk management to secure sound and adequate business operations as the top priority of our management.

The Internal Audit and Risk Management Department sets a controlling office for risk management in order to implement a comprehensive and inter-department management.

## 2. Compliance

In recognition of Saikyosairen's public mission and social responsibility, we value our day-to-day work in compliance with laws and regulations to gain respect and trust among members through our fair and sound business operations.

In this respect, through ethical and legal compliance, as well as devotion of the utmost effort to serve members as a general rule, we have established 'Directors & Employees Code of Conduct' to encourage honesty and responsibility. That is then conveyed among our employees.

Moreover, in order to raise awareness for Compliance by all of our officers and employees, we have designated a "Month for promoting Compliance" every year and continue to carry out educational activities.

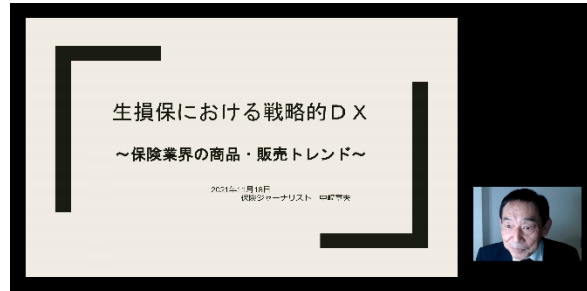
## 3. External / Internal Audit

We have appointed four auditors, including one full-time and three part-time auditors to verify the appropriateness of business operations, execution of business and accounting. This is done in cooperation with an independent auditor.

Internal Audit conducted by the Audit and Risk Management Department proposes suggestions and improvements by verifying and assessing the appropriateness of its implementation status on respective departments.

## 1. Supporting Member Cooperatives

Saikyosairen utilizes various channels to provide business support to our member cooperatives. Our support activities include providing training seminars and networking opportunities as well as facilitating lectures with topics related to cooperative insurance and reinsurance. They are tailored not only for the member cooperatives but also open for prospective members.

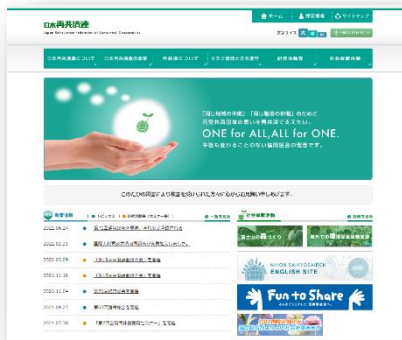


Online Seminar: "Strategic DX in Life and Non-Life insurance: Insurance Industry Product and Sales Trends"

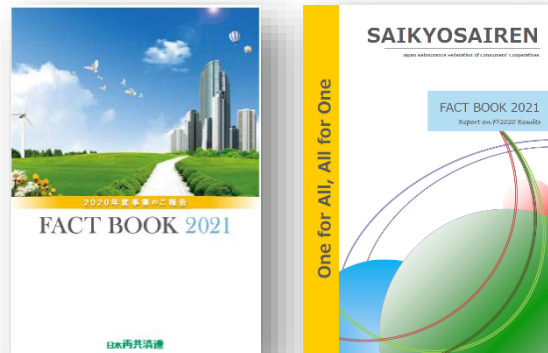
## 2. Disclosure

Saikyosairen discloses the following information for public viewing.

Website (<https://www.saikyosairen.or.jp>)



Fact Book



You can see the Fact Book via our website both in Japanese and in English.



### “Sairen Dayori” Quarterly News Letter

“Sairen Dayori” is issued quarterly informing our member cooperatives of hot topics such as activity reports and business risks surrounding cooperative organizations.

※available only in Japanese



### 3. SDGs Promotion

To fulfill our mission as a cooperative, we are working to promote the SDGs as an activity that contributes to the implementation of a sustainable society.

#### ① **Activities to Mitigate Environmental Load**

We have implemented environmentally friendly policies, such as reducing consumption and recycling paper, as well as reducing energy consumption.

We have also promoted the purchase of environmentally conscious office products.

#### ② **Environmental Conservation Program**

As a member of the Public Interest Incorporation Association, we have continued to support the “Mt. Fuji Reforestation Project” which started as a 20th anniversary project in 2007.

#### ③ **Purchase of “SDGs Bonds”**

As a part of our asset management strategy that incorporates an ESG perspective, we purchased “SDGs bonds”.

#### ④ **Held Online Seminar on SDGs**

An online seminar was held for members with the theme of "How Mutuals and Insurance Companies Should work towards the Realization of the SDGs".





## **SAIKYOSAIREN**

Japan Reinsurance Federation of Consumers' Cooperatives

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