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<b>Title</b>	<i>U.S., Europe, Canada groups jointly press Japan on postal insurance</i>

Ten U.S., European and Canadian industry associations joined Thursday to press Japan to remove the threat of unfair competition in the planned privatization of Japan's "kampo" insurance run by the postal service.

In a joint statement, they called for "equal footing" for all competitors in Japan's insurance market and a standstill on new postal insurance products until tax, regulatory and other special treatments are removed.

The joint demand comes ahead of the Japanese government's expected announcement later this month of a detailed outline of its plan to privatize Japan Post and also amid ongoing Cabinet-level efforts to draft legislation to implement the plan.

"During this process it is essential that Japan Post maintain a standstill on new products that compete with the private sector -- including modified products -- until the successor to postal insurance giant kampo operates under the same rules as those that are applied to its private sector competitors," the statement says.

The statement cites industry concerns over pending privatization decisions on the size of the new entity's market presence, its scheme of regulation, the taxes it will pay, its participation in policyholder protection arrangements, and Japan's commitment to it international trade agreements.

Japan Post was created as a public entity in April last year to take over the Postal Services Agency's mail delivery, postal savings and "kampo" life insurance services as the first step toward privatizing the postal business -- the mainstay of Prime Minister Junichiro Koizumi's reform initiatives.

The government adopted a blueprint in September to privatize Japan Post into four entities -- the three services and management of over-the-counter services at post offices -- in stages starting in April 2007 and to be completed by 2017.

"It is rare that an issue arises creating such international focus, but it has in this case," Frank Keating, president of the American Council of Life Insurers, said.

Aside from the council, the statement was signed by the Association of British Insurers, the European Federation of National Insurance Associations, the Council of the European Business Community in Japan, the Canadian Life and Health Insurance Association, and four U.S. groups -- the American Chamber of Commerce in Japan, the American Insurance Association, the Coalition of Service Industries, the U.S. Chamber of Commerce and the U.S.-Japan Business Council.

"This is clearly a matter of high importance to private insurers around the world," Keating said. "We are all very closely watching what Japan will do."

In the statement, the 10 groups said, "It is our hope that as this important initiative proceeds we will be afforded real-time opportunities to react to drafts, make suggestions and enter into a regular dialogue with responsible officials."

An ACLI official said the groups otherwise fully support Koizumi's reform and privatization efforts.

The ACLI has been consulting with the U.S. and Japanese governments over the issue, and has even sent a letter to Koizumi, the official said.

U.S. President George W. Bush took up the issue when he met with Koizumi in October in New York on the sidelines of the U.N. General Assembly session, the official said, adding that Japanese officials have also been cooperative in consultations with the council.

Keating is planning to visit Japan early next year, according to the official.