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# AN APPROACH TO INSURANCE SOCIOLOGY

— Pt. I. Information and Insurance, Pt. II. Uncertainty and Life Insurance —

by

*Noriaki Niwata*

## Part I. The Position of Insurance in the Information Age

### *I. The Information Age and the Information Industry — the insurance industry therein —*

The so-called information society may be said to represent a mode of society in which, after arrival of a certain stage of industrial maturity, the information industry has come to work leadership over people's life and business activities—on all aspects of politics, economy, society and culture. This phenomenon is conceived to correspond with the complexity in all phases of society which increases according as people's wishes and desires come to be diversified, their views of value and standards of selection become comprehensive and multiangular, and life and production attain a high level and liberalization. Information pertinent here denotes the contents of data usable for some certain purposes, and the name information industry is put on the industry that performs collection and processing of such information as well as development of systems for this aim. With the rises of information levels this industry fosters, various sorts of uncertainty lying within society can be overcome, economic and many other social activities be based on a longer-range view-point and planning, and by that much social stability be increased.

Amid the arrival and advance of such information society, insurance may on one aspect be said an information industry. It is because, in order to cope with happening of accidental disasters, unforeseen misfortunes, and unhappy and undesirable situations, the insurance industry collects information about existence of dangers, emergence of damages and relevant need of expenses in place of individuals of society like division of labor, arrange and provide such data, and in the ultimate strives for decreasing uncertainty within society. In the advancing information age the insurance industry is pursuing greater perfection of its own principles and techniques, more solid and sound management and thus consolidation of its ground of existence. To look this state from another angle, the very

existence of this industry has promoted the birth and growth of the age of information. Insurance develops being assisted by the development of information, while supporting the latter through its development. Just by nothing this relation we can define insurance as a kind of information industry. Needless to say the information industry and hence the insurance industry can be characterized as a knowledge industry or brain industry because information as well as insurance are closely connected with human brain.

Information is provided to and spread over society through mass media, that is, media for mass communication. Mass communication is indirect communication by way of mechanical means, in contrast to personal communication (transmittance, correspondence) which is man-to-man and direct. When delivery of information takes mass form it becomes what is called mass communication, and so the main actor of the information age is mass communication. As the patterns of information we can conceive (1) that for recognition of environments, (2) that for direction, explanation and control, (3) that for education and (4) that for amusement. The functions of information may involve (1) reporting, (2) education, (3) propagation and (4) amusement.

## *II. Relation between Social Science and Mass Communication* — *insurance theory as social science* —

Many differences seem to lie between theorems and truths found and advocated in social science and those in natural science. Of course correct theorems and truths gravely exist exhibiting absolute solidity in the former, yet this fact is not so easy to acknowledge and prove as in the latter. In some cases and by some people theorems and truths of social science are grasped as fluid ones, something that can be moved according to times and cases, yet by such a view social science could not be established as a science. Its theorems and truths are stern and decisive quite similarly with those of natural science.

Nevertheless we must mention some differences between the two sectors. What are these?

1) Just as there are many exceptional ones in human beings, so in social science there is too much exception about the contents of its theorems and truths.

2) Theorems and truths of social science are empirical ones obtained through long-time observation and numerous analyses, to which sole absoluteness is difficult to attach. Of course that absoluteness is hard to give does not mean that it does not exist.

3) Even though some theorems or truths have been extracted in social science this is not through experiments as in natural science, and it is impossible to exercise experiments on them. Since they do not and can not rely on experiments it is hard to persuade people widely to consent and recognition.

4) Since human beings and their society are too complex, on the midway stage to final settlement in many cases mere probability or tendencies can be

shown.

5) Even when phenomenons of individual cases and men have elaborately been assembled and synthesized, these cannot be general theorems or truths in themselves. This makes a state of being quite different from the case of natural science.

6) Among individuals, groups, societies or nations social phenomenons fluctuate according to the so-called power relation, and so extraction of theorems, truths or laws is difficult.

As regards the theorems, truths or laws of social science which have these characteristics and properties, there is raised again another particular problem. That is to say, for the sake of making these theorems, etc. popularly acknowledged and adopted a kind of "procedure-like processes" is required. Without going through this process any popularization and utilization would be impossible. The process involves the following phases.

1) A phase is acknowledgement and acceptance by authorities and central figures in the academic circle. Since no data by experiments can be presented before society dignity-giving by men must be relied upon. Just for this reason in the world of social science there remain strongly academic cliques, personal link-lines and boss-follower orders.

2) In not a few cases foreign scholars' dignity is borrowed. Especially when one intends to asserts opposition, questions or different views against his elders, superiors, he does not present these apparently as his own theories but indifferently takes a way of quoting foreign famous scholars' arguments. Partially for this reason ample quotation from foreign literature is respected.

3) Another phase is that a theory or argument, namely a truth or law, be adopted by the current government, state organs or some leading, influential enterprises. In this phase if we could believe that the adoption is based on its validity no problems arise, but the reality is not so simple. Various considerations on the side of the dominant "regime" underlie there. And it takes a long time before it is known whether an adopted theory is valid or wrong. During this period other correct ones get weathered. Since presently our economy is of a type of government-administration-leadership, social scientists have all the stronger wish to approach or to participate in the regime.

4) A phase is that a theorem or truth must become popularly known in society, among people. This is an age in which, under the principle of democracy, even in the world of science the rule of majority and popular support prevails. By popularization a theory is recognized as if a truth, leading to its adoption. Now rarely truthness of a theory is proved before its acceptance. Simple thinking is prevalent that such a theory as has gained popularity must be correct. Just herein lies a factor that leads mass communication to appear on the stage and display influential power.

Insurance is especially weak in this point. For the sake of wide acceptance of theories and contents of insurance, conclusion or reinforcement of relations

with mass communication comes to be required. Publicity has been too meagre up to date. This phenomenon is not about insurance alone. In other sectors of science also popularity is becoming a condition first to be required. Like a tide social science is being drawn and pushed to mass communication.

Here let's remember a fable of "a parrot on a tiger's back." Nothing is better than this as symbolic expression of the position of mass communication. The parrot represents mass communication, and the tiger (governmental) administration or consumerism linked with administration. To various business circles, insurance too, the parrot is never a fearful being, but a fear is that parrot's keen cry might awaken the tiger and make it rise. Again the tiger itself may not need so much caution, but horrible is that the parrot might direct tiger's eyes and concern to the insurance business circle. Once the parrot and the tiger are tied together, there occurs strengthening of administrative direction, intervention and control. And the waves of consumerism rush against insurance business.

In this age of democracy the same regulations are equally applied and uniform administrative measures are taken, and hence it becomes an age of "mechanical politics." On the complex and manifold problems the masses raise politics is mechanically applied, taking form of public service, by the hands of bureaucrats trained for indifferent, uniform and equal treatment. Here bureaucratic administration begins to extend politics itself pushing aside statesmen. Here in order to guard against the birth of despotic and anti-democratic tendencies by officials mass communication becomes indispensable, which serves for upward transmittance of the lower's will and downward flow of the upper's. Bureaucratic stubbornness, worrisome procedure, sectionalism and decline of clerical efficiency can be prevented by mass communication.

Inherently because of its particularity insurance is liable to be placed under regulatory and control-color administration. In the case of a change of administration's posture motivated by consumerism (that is, toward heavier intervention, leadership and control) work of mass communication for downward transmittance of the upper's will becomes necessary, and at the same time more basically and precedently that for upward transmittance of the lower's will comes to be required. In no past ages so great was the need of appearance of mass communication on the stage intervening between consumerism and insurance administration as it is today. Actually on the process of development and materialization of insurance administration mass communication is very actively playing a part.

Through the remarkable decline of the authority of universities, their researches and education, mass communication of our country has come to be charged with the function of education and enlightenment, often even research work, in addition to reporting and advertising work. By the by presently education about insurance is very insufficient, and there have been few instructive activities under the leadership of the insurance circle. Advertisement on insurance has been inadequate and negative, and reports concerning insurance have

been almost none up to the very recent time. Now, however, the circle has grown to a level that enables them to disburse money for these activities, while on another hand Japan's society has reached an intellectual standard to receive positively reports, advertisement, instruction and enlightenment about insurance. With these two factors combined, now insurance utilizes mass communication, while the latter takes the former in the scope of its object. Also a phenomenon is seen that devastation of universities is being covered by official organs, business circles and mass communication. Men of research or education—or their epigonesns—in a position near to mass communication are called cultural men or critical commenters in the public. Often they receive higher appreciation than college-men. Since these people are intimate with mass communication, insurance-men should be aware of its potentiality and be careful.

Legal problems are not a favorite matter of mass communication because the masses do not like them. On the contrary insurance theories up to date have been concentrated on juristic theories, matters and principles. Hence it was rather natural for mass communication not to take up insurance matters and theories, escaping from these. Henceforward it will be necessary to supply in readable form social, economic and management problems around insurance to mass communication and thus to draw near to it. The proverb "New wine in new skin bags" applies here, that is, fresh insurance sense to face to mass communication.

Occasionally the peculiar constitution lying inside insurance, rather undesirable, spurts out through insurance-related or ex-insurance men. Field men or salesmen who have been poorly treated during occupation come to have antipathy against insurance after retirement, which mass communication takes up leading to an image of "pitiful field men vs. malicious insurance firms." Mass communication implies reformative consciousness or attitudes of people—or something with such feelings—though within some bounds. There is observed in it power to force leading business men, scholars and the like to self-reflection. Better or worse, mass communication gave birth to that state, "The commenter is every one." Possibly all people may become critics to insurance. Yet there is no other means so useful to popularization of thought on insurance than mass communication. Its commentaries must be made friendly to insurance.

As for insurance the age of information is apt to stir up incompatible-critical common sentiment rather than supporting. A reason is that insurance is a matter on which national comprehension through mass communication is difficult to attain, and another is that the recent sudden arrival of mass communication waves in insurance is causing a phenomenon of over-information. And from the difficulty of understanding and adequate selection, rejection to insurance emerges. In addition there are the inherent conservatism of insurance, the prudentialism of the business circle and the seniority order in the academic circle of insurance theory. All these make the reason why mass communication picks up insurance as a finest object of criticism and attack. Furthermore comparison

with the social security system, which for a period was excessively progressive, has resulted in a conclusion of "progressive social security and conservative, retrogressive insurance." Meanwhile the insurance circle lightly looked mass communication and failed in taking adequate policies. Now, however, a new relation is beginning between insurance and mass communication, so it is taken.

### *III. Characteristics of Mass Communication and Relevant Problems around the Insurance Circle — sharpness of criticisms —*

The communication measures customarily taken by the insurance circle are considered to have not gone beyond the bounds of personal communication. The bearer of communication was field men and agents. However, any effort of piling up personal communication would not bring about the same effect as by mass communication. "Shift of quantity to quality" did not work here as typically it does. In particular the weight placed too greatly on propagation work made such quantity-to-quality change and transfer to mass communication difficult.

There the communication measures were mainly of a downward nature, and that never instructive but only explanatory. Often they were not communication that affords intimate sentiment; on the contrary they were of a type that bears feelings of antipathy and rejection. They were directive-type and controlled communication. The result is appearing today as the criticism of mass communication on insurance. Mass communication friendly to insurance is still scarce. Severe attack to insurance is being utilized to exhibit "high spirits" or mass communication or to magnify its posture. Furthermore by inflicting damages on insurance confirmation of power is intended.

(1) The fact that, while generating common sentiment among society, in the case of insurance information supply=mass communication is apt to brew critical sentiment rather than supporting. This fact derived, for one thing, from the ways of insurance management. Prior to establishing good understanding on it, insurance ran to positive selling, outward activities. Inside-management efforts such as improvement of the substance of security and the quality of insurance had been always left behind. And because of the unexpectedly rapid progress of society and the unexpectedly slow one of insurance, society was going always one step ahead of insurance with respect to welfare or security. It was unavoidable that the presence of this gap was critically taken up by mass communication that fancies itself to be a specialist of economic systems relevant to welfare, security and sense of safety. This stimulated spread of critical sentiment.

(2) A discrepancy that the phenomenons of insurance proceeded ahead of complete blooming of theoretical study generated criticisms among the mass communication circle. This discrepancy comprises 1) that due to concentration on laws and mathematics in the past insurance theory, 2) that due to the lack of social and economic theories on insurance, 3) that deriving from over-much specialization and differentiation among insurance firms being socially in active

business, and similarly among sciences relevant to insurance, 4) that due to biased respect of techniques and theories about selling, and 5) that due to great back-wardness of insurance education compared with other education. These factors combined resulted in the discrepancy between theory and phenomenon, into which mass communication is wedging offensive words.

(3) A main factor of the development of insurance was good fortune. Japan's economic growth was one that rode on a wave of fortune and insurance also rode on it. Mass communication represented social antipathy to this good fortune. To make the matter worse, willing efforts to take advantage of this fortune for reform were lacked on the side of insurance.

(4) It should be considered that there was an echonic phenomenon between the fundamental delay of insurance education and the backwardness-conservatism of insurance management. This resulted in the lack of ability of proper evaluation on insurance in mass communication, and again gave birth to a gap between the high-level and specialized ideas of the management and the old-fashioned and undeveloped system of selling. And as a social phenomenon separation of consciousness between inside-persons and outside-surrounding persons within the insurance system was exhibited. Field men had not always consciousness of being woven into the system, while supposedly the management side did not think that they were taken in, as is seen in the absence of the three basic rights of labor for them. Mass communication takes up this point as an object of attack to the extent of their sympathy to the state and position of field men. That such attack will in the end lead to attack on field men themselves does not get in the thought of field men, management as well as mass communication itself.

(5) Progressiveness of insurance is now under discussion as a matter of comparison with other institutions. If it is inferior to any other one by that much it is criticized. Here the social security system may be the main one among "other" institutions. Now insurance makes an institution to attain economic security side by side and in cooperation with social security. But social security is more immediate to the groundwork of society than insurance, making an infrastructure, because it directly relates with labor problems. Near to the social ground-work and being an infrastructure, it sensitively responds to social changes and hence can have progressiveness.

After the War the constitution of Japan's economy changed. A result was the continuous inflationary policy attendant to attainment of full employment, through which insurance became the largest sufferer. And in another change of constitution to a policy-directed economy social security was given precedence to other institutions. By comparison insurance became troops in rear, a socially clumsy state. All these may have provided the eyes of mass communication a seed of criticisms.

(6) Insurance lacked competence for being a pressure group upon society and administration—the government and authorities. Its position was a protected group rather than a pressure group. Regarding the magnitude of business



and funds, as well as the numbers of enterprises and employees, it can not be such a group. Rather what may be called a pressure group was the coalition of policyholders=consumers and administration plus mass communication. Power is absent in what makes no pressure group, and on what lacks power the arrows of attack gather.

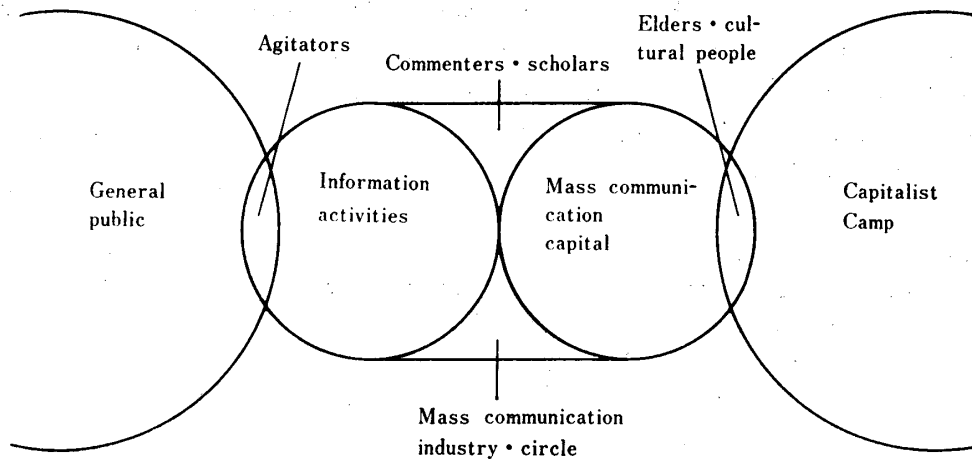
#### *IV. The Reason Why Insurance Is Weak before Mass Communication — around advertisement expenses —*

The first task of mass communication is reporting. This may raise no objection, yet selection and weighting of the contents of reporting make a point by which particular views of each individual body are shown. Next, through continuous reporting mass communication forms public opinion. Inevitably here will be added evaluation and calculation on the standpoint of mass communication—what matter, what treatment or what result is advantageous and preferable to it. And underlying these, there is public opinion with volume and depth beyond the power and the boundary of activities of mass communication. Public opinion concerning economic matters is formed democratically by the masses of people and, as their main element, consumers. For such formation of public opinion indispensable are intelligent activities, consisting of supply and collection of information. Here the main machines are mass communication and educational organs. By the by, the insurance circle must endeavor at propagation and reporting by means of mass communication, and develop supply of correct theory, information and explanation about insurance in order to guard against attack through mass communication.

As it grows bigger, mass communication comes to wish power. Taking this opportunity, the groups of intellectuals, commenters and worldly scholars—seeking popular fame and fancy—curry favor with mass communication by developing showy arguments, take advantage of the power of mass communication, and behave flattering to it. By these people the inherent character and constitution of mass communication are still more intensified and the power becomes all the more influential. These people can be characterized as mass-communication personal veins or groups. When for some reason mass communication intends to criticize insurance, these men also extend arguments of the same line. True mass communication takes its attitude to insurance standing on its value judgement as a right-minded man and public opinion, yet there may be some addition of its own interest-advantage or sometimes even profit-loss. Judgement of mass communication is based on its character and its character is expression of the character of mass communication capital. In the contemporary age mass communication is a capital body born in the mass-democracy society. As a capital body it becomes a business body or an enterprise engaging in advertising business on one hand and (what is more essential) information supply on another. Its business is called a knowledge industry or a brain

industry.

There is one thing to note when we refer to mass communication. That is, it has its peculiar law of movement and development process. For its existence and prosperity it will bow to some kind of pressure. Again it will run to claptraps in order to make reports it supplies popularly accepted and salable. According as it intensifies a monopolistic nature, becomes of big capital and reaches a leading position, danger and possibility of rottenness within itself increase. And then public opinions are also corrupted. Let's consider such conditions and tendencies in connection with insurance. Continuing expansion of business, capital and influence, inevitably insurance becomes more conscious of public opinion. Here, if such possible rottenness is taken into account, simple flattering to mass communication and the public cannot be a correct attitude. Also insurance and insurance capital may be spoiled, and so may be mass communication and mass communication capital, and further again public opinion about insurance. Here lies the cause of difficulty of determining attitudes around mass communication.



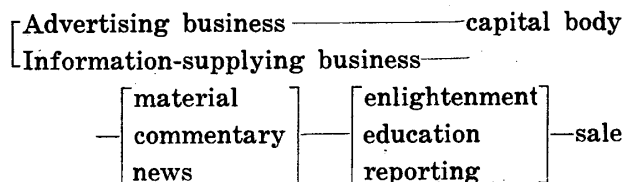
With enlarging capital and business scales, mass communication will incline to the right-wing line. In other words it begins to stand on the side of big business, government and governors. Knowledge it supplies deepens color of the regime-side theory. This is unavoidable if mass communication wants to preserve its interest and position, so far attained on the enlarged scale and power, and to continue existence. It comes to the side of the regime because for one thing such information and material as are otherwise unobtainable increase, and otherwise it becomes difficult to spread speedily, in a large volume and deeply. And it becomes apt to run to information supply on its own evaluation as a capital body. It begins to incline to formation of public opinion in the interest of its standpoint. Social enlightenment and cultivation are given a larger weight and by that much information supply is pushed aside. It changes from a supplier of material for public opinion to a manipulator. It selects information

favorable to itself and provides only such, or sometimes even composes such. When insurance approaches to mass communication it must be a being advantageous, favorable and easily acceptable to mass communication capital (on the regime and right-wing side.)

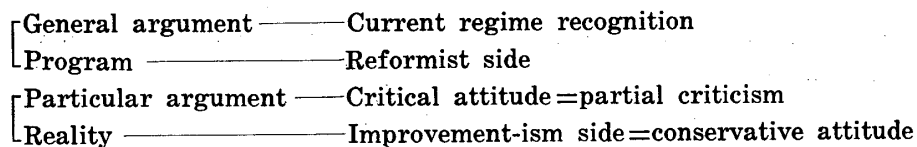
As mass communication business becomes linked with power, profitable and adherent to politics, so there is generated a danger of rottenness. Similarly insurance is profitable, powerful to some extent and adherent to politics. Accordingly insurance capital and mass communication capital, after reaching a certain time point, will become to be drawn each other on some phases. The two will become cooperative sooner or later. Hitherto cooperation was impossible because mass communication was ignorant of insurance and insurance was unskillful in treating mass communication.

As a manipulator of public opinion, naturally mass communication will control public opinion on insurance. However, there must be some other ones who manipulate this manipulator. One is government=administrative officials. Another is scholars and still another is money power. Presently insurance is increasing money power, but is unsuccessful in making communication-linked people and scholars its adherents. In other words there are few defenders of insurance. In this connection the theorists of insurance laws are hardly acting as the defender, merely being a stone wall or an armour of insurance. The administrative authorities are keeping an attitude of, say, a critic, being stimulated by consumerism.

Mass communication



Mass communication



According as mass communication becomes a composer of public opinion its function as a collector and distributor of information recedes. Here its knowledge about insurance will become appreciably deep and it will be a good sympathizer of insurance. Yet its proper way of being will be distorted. Changing to scholastic mass communication-men is seen. Through a process up to this stage insurance always showed complex interwinding with mass communication. Customarily insurance firms and the circle did not expend money for advertising work, and hence were not a good customer for mass communication about its advertising function and attendant profits. For this reason insurance was hated

by mass communication, never given warm treatment. Insurance used personal communication through field men and agents instead of mass communication. Accordingly mass communication found a greater merit in catching public fancy by criticisms than in getting advertisement charges on attaching itself to insurance. So it intended to gain popularity by criticisms, and sell a larger mass of information to obtain more profits.

Mass communication, as it grows to big capital;

- becomes less opposed to the regime.
- takes righteous standpoints on partial points.

Concerning partial or local matters presently insurance makes a suitable target and material of attack on righteous arguments on the stand-point of the masses. Any such attack hardly affects the current regime. And smartness of attack can bear support and favor to mass communication, bringing about profit increase.

Generally the targets of attack of modern mass communication may be found in the following:

(1) What are particularly evil; what have come on public opinion greatly as evil. Examples of this sort are rare for insurance, but immoral acts of policyholders, escaping answering from the side of the insurer, forcible selling technique perverted by "Let's sell," and ultra-conservatism of insurance may be involved.

(2) What do not so greatly shake the current regime. Here what insurance firms is concerned with is about its scale and position as a financial organ. As these grow higher mass communication comes to put back the spearhead of attack.

(3) What are indifferent to the interest of mass communication. As insurance becomes more and more attractive as an advertiser mass communication pulls down its anti-insurance attitude. And as financial cooperation advances between insurance funds and mass communication capital, mass communication comes to support insurance.

(4) Assailants on the weak extending over a large number. If mass communication thinks that by protecting the weak and attacking the assailant its popularity and appreciation will rise, at once it begins attack. As regards insurance mass communication becomes a supporter of fieldmen and aids policyholders in pending about breaches of the duty of notice. It confronts insurance in place of the sufferers of pertinacious selling as well as general people facing decrease of security value due to inflation. It shows to sympathy to the damaged people by earthquake and persistently accuses insurance.

The principle of behavior of mass communication is to use critical tongue as long as it gets people's fancy, not to the extent of kill.

*V. Measures of the Insurance Circle against Mass Communication*  
*— development of own particular ones —*

Hitherto the attitude of insurance to mass communication has been only negative, but henceforth active approach to it should be contemplated and unique individuality be displayed for its utilization. Here the basic consciousness most necessary is to be not excessively fearful or cautious of mass communication. It is to be remembered that mass communication as a capital body has the same root with insurance capital, and they both develop activities on the law of capital movements. And henceforward advertising will become indispensable for insurance, while mass communication must be waiting for advertisement from insurance because without advertising business it cannot sustain itself. In this sense mass communication and insurance have the same line of interest, and so mass communication is just an adherent, never a fearful enemy. A source of misfortune is that up to date insurance has been unfamiliar to mass communication. It attests to this situation that recently mass communication is changing its attitude to insurance from an attack-blame pattern to an explanation-commentary one.

Now the first measure of insurance to meet mass communication is conceived to be cultivation of opinion leaders. The masses do not receive information and knowledge supplied from the side of insurance as they are. So a policy is to put insurance education on those people who exert influence and are adequately scattered over various groups of people—local, occupational, amusement circles, etc.—to supply correct and favorable information through them, and thus to deepen comprehension about insurance under their lead. On going on such a way mass communication and insurance can influentially contact each other.

Primarily those who are friendly to and fond of insurance (or who at least have good understanding and intimate feelings) are to be found among people who have received insurance money or benefits, and it is desirable to have these people become opinion leaders. Yet this can hardly be expected because these people—for example, deceased, disableds, invalids, injureds, children, widows, orphans, unemployeds, sufferers from fire, etc.—are a kind of (note this word) beneficiary in insurance but as such they lie socially in a position of the weak, unqualified to be opinion leaders. So the insurance by its own hands has to bring up opinion leaders receiving cooperation from insurance economists, insurance sociologists as well as household economists and psychologists with deep comprehension on insurance.

Another policy of the circle may be utilization of “inside-circle mass communication. This is a concept conceivable in contrast with “general outside-circle mass communication.” If the latter is considered to represent public opinion, so the task of specified inside-circle mass communication may be designed as a stimulus upon “sleeping conscience” in the circle. It may perform education

about insurance and general themes for the insurance men, in which it should execute a function, as if a stomach camera, to find out, pick up and reflect disease causes lying within the circle.

Now the device is extensive utilization of this inside-circle mass communication so that it may become a medium, or works as a catalyzer, between consumers and administration and between consumers and general outside-circle mass communication. Since inside-circle and general mass communication are common in nature and hence connection may be between the two, it is useful to have the former represent insurance problems and establish relations with the latter. For this sake unification of conscience and harmonization of interest should be strived for between the insurance circle and inside-circle mass communication. The former should express modest respect to the latter for its pointing out of problems and disease causes.

Generally too scarce utilization has been made by insurance of social representatives, the third persons and intellectuals on a neutral and fair standpoint as well as inside-circle mass communication. Stuck up latently with its particularity and overmuch self-confidence, insurance intended to deal with and dispose of all matters by itself and by its power alone. Perhaps this attitude is not changed still today. It did not appreciate the power of mass communication and did not attempt to utilize it, its occasional trials of contact mostly failing. Even today almost all intellectuals, cultural men, commentators, labor movement leaders, mass communication men, scholars and even insurance theorists are taking a standpoint of the critic or blamer of insurance. Here it should be noted that their criticisms or blame, if apparently to insurance itself, in the reality are those directed to the exclusiveness, excessive self-confidence and self-conceit of the insurance circle. As the result insurance is exposed to general attack of mass communication and is held down by neck by administration.

In view of the widening differentials among insurance firms it is rational to make big firms cooperatively responsible for measures against mass communication. It may be a right policy of big business, not being content with its attack-less position owing to its big power, willingly to take charge of such a task with consciousness that the problems of medium-small firms under attack are nothing but those of the whole circle including the big. This burden should be considered as a handicap in competition.

Mass communication connected with the insurance circle will not run to attack to the bottom. However, because of its destiny to stand on the side of the masses it cannot continue always to be a supporter of insurance, a partial being of society. Occasionally it takes an attitude of indirect criticisms to insurance by praising or helping growth of social security and co-operative insurance—competitors of insurance. So insurance must pay incessant attention to these.

To list up items to be cared in developing measures to meet mass communication, they may be as follows.

- (1) Fresh sense is necessary for mass communication policies. Turning

on the phase of idea origination is required. Accordingly for the business section in charge of this task it is necessary to employ personnel administration of a pick-up type, instead of the customary seniority system, in order to post suitable men for rejuvenation of sense.

(2) Disharmony of consciousness between the top management and the sales front must be prevented, and diversity of sentiment between inside-post men and work-post men be evaded. The front or work-post is sensitive to the masses' wishes and thinkings and so its distance to mass communication is short.

(3) Elimination of displeased people within the firm should be contemplated. After leaving the firm sooner or later they become critics-blamers of insurance, and suppliers of material, data or topics for attack to mass communication. They spread bad information about insurance.

(4) Countermeasures against rivals of insurance should be promoted. We have a maxim "A true enemy exists within one's own party," and in the case of insurance the most severe attacks have been inflicted by co-operativ insurance. Self-reflection may be necessary on the past history that insurance persecuted co-operativ insurance to the bottom at its infant stage. The recent tendency of admitting the merit of commodity cultivation or pioneer's advantage, which has patent-like implication, will place co-operativ insurance on an unfavorable position as against insurance that goes one step ahead in product development. Therefore a large-minded attitude may better be taken by insurance to recognize that in the markets cultivated by co-operativ insurance there are elements more strongly belonging to it, and esteem something like an advance privilege.

(5) It is matched with the mode of the age to shift attacker to proponent by promoting the principle of participation. As for men of anti-insurance posture, especially potential attackers such as mass communication men, it is effective to bring over by appointing to the partners' representatives, councilors or monitors. Of course their attendance to the meetings of partners' representatives or others should be actively wanted.

(6) It is useful to increase dignity through coupling with foreign insurance business and theories, and thus to close the mouth of mass communication. Japanese are still weak before foreign nations. It is to persuade mass communication by explaining that "foreign insurance is such and such" or it is so by foreign theories. At the same time it is necessary to extend business abroad, to keep close relations with foreign countries, to have internationality, and thus in a higher international status to set up a "holy zone" lying outside the attack target of domestic mass communication.

(7) Hitherto Japan's insurance has been nothing more than imitation of foreign insurance. Henceforward a Japan-type way of being should be advanced side by side with internationalization. That is, Japanese problems should be pursued on Japanese theories. Efforts to solve some kinds of problems that may arise as Japan's peculiar phenomena, when they have arisen, carefully in harmony with Japan's conditions of life. Accumulation of these efforts may be

the best way of attracting the mind of mass communication to insurance. Contrary to the age when Japan followed foreign countries, a new age is coming when these countries learn from Japan. So let's manage our insurance problems on the ground of our social feelings.

*VI. Utilization of Mass Communication by the Insurance Circle*  
— *positive policies to mass communication* —

It is not satisfactory for insurance simply to consider negative escape from the attack and criticism of mass communication; Efforts must be made positively to utilize it. Mere faultless keeping of defensive posture must be said meaningless. So next let's consider the ways of utilization as a positive policy.

(1) Utilization of mass communication and its reports about insurance for the sake of finding out problems and re-washing of problem sense. Recently insurance firms have ability of market research each and can explore people's sense about insurance. However, such researches are naturally flavored with individual firm's odor, and the boundary is limited. True for this point of exploration of people's sense mass communication is a specialist, and often in its commentaries and reports unexpectedly truths are included.

(2) Grasp of public opinion and wishes, and furthermore discovery of demand and exploitation of its place; in other words, from among what mass communication digs up about insurance, to find out what is relevant to demand for insurance or what can be turned to demand, and utilize these.

(3) To use comments and reports about insurance as a spring-board toward new-sort or new-type insurance. By reviewing how mass communication responds to these a go-sign to new insurance can be made.

(4) Insertion of insurance matters on mass communication should be regarded as a kind of education or enlightenment about insurance, if strange. Such insertion is a nice thing by itself. As days pass on its contents generally change from prosecution to education or instruction.

(5) Isolation of insurance from people should be corrected through the activities of mass communication. Especially the top management of insurance, a position far away from the masses, must strive for recovery or redevelopment of sense through constant touch with information mass communication supplies.

(6) Mass communication should make a brake to self-complacency of insurance. Insurance, enclosed with a hedge of particularity, is apt to be separated from the general sense or moves of society. From another viewpoint, in order to shut out clamorous society, to prevent amateurs' intervention and to guard against faultfinder's peeps, insurance runs to emphasis of its particularity- uniqueness or difficulty-complexity. The result is its self-complacency through past long years. This leads to a head-on collision with mass communication which especially respects common beings and the mass ground, resulting in a harsh



decision as the most anti-people enterprise. In this sense mass communication has a qualification to be a teacher for insurance.

(7) Through mass communication comprehension on insurance may be advanced, by which insurance becomes more salable. Deeper comprehension, however, may bring about criticisms on a higher level. Then anew public relations are extended through mass communication; comprehension is advanced, . . . this process is repeated. Thus, beating down problematic points one by one, insurance will reinforce itself as a national being and continue to develop. It may be said that, taking a course backwardly from the point where a criticism has emitted or come to the surface, insurance enters an environment more favorable to selling.

(8) Insurance must always relate its position with that of social security, define its character as "mutual assistance," make itself a private cooperator of welfare, and thus have its appearance as an profit-pursuing industry corrected. Its position as a supplementer to social security and welfare should be raised up to that of a cooperator. And in fact this phenomenon is partially appearing. In setting such a future road mass communication should be made its cooperator. It will need many efforts and a long time for its successful result, yet such need can provide no reason for abandoning this line.

It appears that up to date insurance has been rather delighted in being isolated from social moves to some extent, say, protective isolation. While keeping itself humble to society, in the shade insurance has pursued profits and has been self-content in a favorable position in a shadowy place. To continue such a state, however, insurance has socially too much developed. Now all acts of insurance are exposed to the eyes of society. Herein lies inevitability that makes measures to insurance urgent.

Category A		Category B
Scholars	←————→	Cultural men
Researchers	←————→	Commenters
Specialists	←————→	Learned men
Directors	←————→	Well-known people
Leaders	←————→	Men of popularity
Elites	←————→	Men in the fashion

On this classification mass communication prefers Category B by its nature and is more familiar with men of this group. This makes a limit of mass communication, and suggests a danger involved in over-appreciation on it. At the same time insurance should keep contact with Category A as a policy of restraining mass communication. Through combined and parallel use of A and B a multiple effect may be born and defects of both be dissipated.

There are many sorts of mass communication. Separate and adequate use of them is necessary.

Television is a medium favored by the masses, but it is short and disappears in a few moments. It is unsuitable for explanation of complex topics, serving

only to leave some impression on brain. Primarily insurance is not such a thing as rides on an explosive boom. Utilization of television is limited.

Articles and descriptions of insurance on monthly journals are very effective for attaching authority to it. They are most adaptable for opinion leaders. However, they would be thrown if good design were absent. Combination of magazine articles and efforts by other media makes the effect all the more great.

Inserting reading matters about insurance on the journals or papers of various associations and the pamphlets and filing matters of special groups is a representative type of personal communication. This makes insurance steadily permeate into people united into small groups, bringing about accurate effects. A default is that the sphere of effect are too narrow. Occasionally there might be a danger that the situation of insurance is twisted by the personal character or consciousness of the leader of a small group.

Newspaper is the most desirable medium in its extensive effect and high confidence as well as longer duration than television or radio. However, in order to lead people always to reading special devices and researches are necessary. A first prerequisite is to secure good understanding of paper-related men on insurance. This tells need of the so-called root-cutting work. And this medium is apt to be opinion-leader-directed.

In the ultimate the first measure is to have insurance taken up in school education, beginning at middle and high schools. For this sake comprehension of teacher groups on insurance must precede. Again lecture meetings in local places are effective but opinion-leader-directed color is deep. General people, especially housewives, do not gather to such meetings. Gathering of audience is often hard, yet most hearers may become friends of insurance before closure of a meeting.

In the lectures of leader-cultivation concerning home life, woman active movements and so on, it is to be wished by all means to have insurance included. And in the colleges of woman students opening of an insurance-theory lesson is to be waited for. In view of the fact that recently many college graduates are wishing entrance into insurance business, opening of such a lesson may be justly regarded as a request of the age for both sexes.

Lastly attention should not be limited to the outside world. Especially it is necessary to supply knowledge to salesmen, field men and men of agents. And within-firm re-education of employees—never biased to the position, attitude or consciousness of the insurance side—is very scanty, in particular for female employees. Prior to speaking of others' matters, renovation of inside-firm education matching to the age must be done.

## Part II. The Uncertainty Age and Life Insurance

### *I. The Current Age as a Turning Period*

Society is a living being. So long as human beings—component cells or atoms of society—are living things, it is natural that society—their summation or aggregation—is incessantly changing itself day after day. In most instances society continues development and growth if with differences of degrees, yet sometime it takes a path to drooping and decadence. Decisive destruction of its structure might be caused by war and economic panic. To grasp such trends of living and changing of society as patterns the following two are distinguishable.

The one is that, problems arising and contradictions deepening, the status-quo is maintained until these reach to a certain stage, but after this stage is passed suddenly a big change occurs to destruct traditional society and give birth to new social order. This is called revolution. In this case the traditional society and the new are completely different in character, and rather of mutually-negative natures and standpoints. The force that causes such social revolution is right the development of production power and the resultant deepening of contradictions within the production relations.

The second pattern is what is called gradual development. While many problems are being born in the existence process of society, these are dissolved, extinguished and absorbed by its immanent force, or sometimes these are turned to a kind of medium toward to further growth power, and expansive reproduction is repeated toward higher and wider society. This is progress of spiral form and the first pattern is of refracting, step-wise form.

However, it is questionable to decide presence of some sole and absolute law or pattern of social development. In the reality where human reason is low, transmission of information is inadequate in quantity and quality, and political techniques to govern, control and manage society are not yet fully developed, the first process is followed. And where civilization is high, information activities have become active and, among others, theories and techniques of social and economic policies have been highly cultivated and applied, the second course begins to be taken. A word gradual growth or transfer well describes this. Therein problems and contradictions make developing extinction. Thus in the former half of human history and up to the very recent social changes were borne as the first pattern, but in the latter half or the current age social transformation is being advanced as the second pattern, not revolution but reformation or improvement in the existing order. Through the summation of intellectual and honest continuance of efforts individual persons each make within the order, naturally and inevitably society will perform transformation, so it is conceived.

The popular phrase "principle of participation" virtually describes this situa-

tion. It means to allow such social elements or components that might be woven into the anti-order side and become revolutionary energy if left alone to participate in existing institutions and organizations, to hear their voices and thus to dissolve their complaints and disaffections while burdening partial responsibility on them. People who have been led to, asked for or admitted of participation, while intensifying sense of attachment, assert their positions, endeavor to become more advantageous in the order, and behave so as to derive compositional transformation of the order itself from inside.

Primarily democracy is opinion expression about, will demonstration to and participation in politics by the whole people. It is miscalculation that society as well as politics has not become "people's side" as was firstly advocated and expected, giving birth to a byproduct of a monster of pressure groups. However, the pressure groups are not always one-sided adherents to the regime, but may involve participation in politics and economy by the lever of pressure. It may be said bureaucrats that amid such social structure has begun to establish and hold power. At the same time some changes have emerged inside such countervailing pressure groups such as reformist parties, big labor unions, and consumer organizations. In these groups the upper-stratum and elected leaders have become a business manager type. Now their concern is laid on the support of and popularity among the voters, their eyes are directed toward the regime side, and hence they cannot make full efforts for real reformationary (or revolutionary) movements.

The ruling regime of Japan, where the overwhelming majority of people is said to hold middle-class consciousness now, has been at any rate successful in economic policies. Like or dislike, willingly or unwillingly this must be recognized. Accordingly the gradual-development course is selected, in which the institutions of social security and insurance are to appear before the footlights. These institutions have an effect of preventing revolution or overall collapse, yet they are not what merely seek conservatism or fixity in society and economy. Where security systems linked with economic policies have been established, growth is promoted all the more by the presence of security, while security is still more confirmed by economic growth, thus mutual affecting and joint working.

Revolution or overall collapse may possibly lead to progress and improvement of society as a final result, but in the current large-scale society with complex and precise composition they will end in too great a sacrifice and too long a time of confusion. Unless something very extraordinary, e.g. a war or a ultra-magnitude disaster, occurs the so-called quantity-to-quality shift, that is, inevitable collapse of old society and arrival of new, can never apply. Through participation of people on the aspect of production and completion of security on the aspect of consumption and living, the current social order will be developed to the better. Now a period seems to have come for life insurance to hold consciousness of this task in the private field. If it remains to be mindful only of profiting, in the end it will be hated by people and be deprived of most part

of its function by the hands of social security. It should be delight in that great expectation and heavy responsibility are placed on it, but be careful about national conviction on failure or unfulfillment.

## *II. Sorts of Risk in the Current society*

As a word symbolizing the current age we have the age of uncertainty or of risk extension. Although the development of collection and disposition of information about home life and business management is said to decrease uncertainty or risk, on another hand these are being generated anew by rapid growth of society, and amid the civilization of speed and complexity people are hungry after stability, safety, ease, relaxation, as well as conservation, security and solidness. By classifying risk by the relevant matters the character and cause of respective sorts of risk will be clarified.

### (1) Risk around politics

Today is an age in which individuality is respected and displayed. People's value concepts are diversified and the process and content of thinking lack uniformity. This current being reflected in political elections, now an age of multi-party is coming. This means politics by public opinion which is increasing variety.

In the multi-party order of politics the helm and policies are unstable, involving risk of frequent changes and alteration. In accompany with changes of the helm, the party in power, policies change affecting people. Examples are increasing vs. lightening of taxation on land, stocks and gains thereof, rigid vs. light policy about donation and inheritance taxes, and so on. In such multi-party age, however, changes and alteration are effected occasionally and in a small scale, preventing occurrence of decisive and big-scale reformation or transition. Also on life insurance as a long-term system this risk around political uncertainty will inescapably exert influence.

### (2) Risk around technology

Progress of technology has an inclination of an accelerating tempo. This is also reflection of rapid progress of science. And technological innovation appears frequently, extensively and decisively. This situation gives an active stimulus to rise-decadence, growth-decline of industries, and hence risk around management of insurance funds (to be defined as long-term, fixed funds) increases. If technological innovation impairs stability of people's living, effects are conceivable on the supply of life insurance with an intense nature of long-term saving. Anyhow succession of innovation may be said appearance of risk that brings about uncertainty to people's living.

### (3) Risk around structure and management of business

With the primary industry continuing retreat and the secondary industry barely maintaining the present state through business consolidation and unification, now the tertiary, or distribution, industry has become the star of the age, which has beared managerial risk in the industrial world. First, whereas the primary and secondary industries require vast investment of fixed capital, the tertiary industry contains many fields that do not need much capital but rest on utilization of ideas, information, originality or intelligence. Business foundation and operation are easy, being accompanied by quick failure and closure. Indeed business risk is large here. Capitalists are lacked or, if any, are inferior, third-class executives, and hence lasting and stable trust is unexpectable, making the risk all more greater.

Speaking generally of enterprises, the seniority order and pay system has begun to recede or fall and an age of ability-pay is coming. This is a world of "overbearing of the lower against the upper" or that of real ability. The positions and incomes of people are always facing to risk of changes and decreases. In addition there will arise a tendency toward higher ages among employees of a firm, resulting in confrontation of force between the elder and the younger with respect to pay, pension and welfare facilities. As to aged employees there is lowering of the retirement age as firm's real intention, despite avowed raising, still more increasing risk of living.

Diversification of conditions of competition means that of risk around management. And even if a firm has won through competition there arises risk of wage demand and strikes in accompany with an expanded business scale and strengthened force of the enlarged labor union. Administration intervenes in and controls business while consumer movements present accusation and demand. Mass communication begins attack as a good victim, which, if mishandled in countermeasures, will inflict a damage on management. These increases in risk around business are at the same deepening of risk of employee's living. Here often life insurance is utilized for both sides of business and living. And risk of this sort will possibly arise in life insurance firms themselves.

#### (4) Risk around natural environment

Conservation of natural environment is in a sense opposition and also adjustment between natural and human power. And when prevention of or guard against disasters by nature is impossible, as post-factum measures or disposition non-life insurance is conceived as for property losses and life insurance about life and bodily injuries. In this risk around natural environment, beside unexpected natural disasters sometimes there occurs artificial destruction of environment, which may be said risk. Often as a social phenomenon places of life and surroundings of dwellings, are destructed, for example, over-density and over-scarcity of residents. Here again life may be inflicted with extensive influences.

Possibly nature itself changes by its own force. Temperature and humidity may change in some particular areas. Generally changes in natural environment

inevitably affect human life and existence, and that harmfully. This may increase demand for life insurance either explicitly or latently. Progress of civilization has made on one hand residence and life more comfortable but on another more uncomfortable. Environment of life is always being exposed to fear of destruction. Therefore performance of life insurance is expected for post-factum disposition.

(5) Risk about variation of social constitution

Human beings constitute society and society is continuing growth and development. As the result variation arises incessantly within society. If changes emerge at a certain slow pace arising problems are disposed as natural absorption. In case they are remarkably speedy, distortions occur in many places. After a long period of high-rate economic growth, at a breath Japan has entered low-rate growth and structural depression. Accordingly many variations have appeared in social structure and living, and almost all of them have affected life insurance.

Japan's demographic composition is going to higher ages, and at the same time young agers have begun to advance into society. This is also a rise of the mid-war and post-war born strata, now making fifty percent of population. Of course they are different from the prewar stratum in consciousness and posture of life. Again there are seen social advance of the female sex and transition to high school-career society. International intercourse of people has become active while the structure of Japan-type local community is going toward collapse. Decadence of the family system and a tendency to core families (meaning parents' life apart from son's family) are more or less affecting life, which will work influence on life insurance.

Extending thought of esteem of human beings and their equality has raised the worth of human life, and on another hand assertion of and request for non-discrimination and weak protection are becoming prevalent. Increasingly life insurance policies have become of higher values, and conditions of effecting insurance have been prepared for all classes of nation. With the rise of demand for income redistribution, equality in incomes, in opportunities and in benefit, people's living has been appreciably improved, especially for the low income classes, and accordingly these people have come to be interested in life insurance.

The order of oppressive and uniform direction and administration has receded, resulting in sensitive reflection of national wishes, that is, progress of social security and reinforcement of consumerism. Speaking generally these have generated conditions working pressure on life insurance business. All in all as regards risk around social constitution the position of life insurance is that of reciprocal influence.

(6) Risk around international situations

This concerns various phenomena symbolized by the collapse of big-power

domination. First the risk of resource shortage has emerged all over the world, by which wars for resource security and relevant economy are expanding. Again this phenomenon is appearing as the problem of South-East opposition. Broadly the South represents developing nations and the North developed European and American. In addition there is antagonism between the free capitalistic camp and the controlled socialist one. Opposition means emergence or presence of risk. By that much risk may increase for living as well as life insurance management. Such international situations are causing country-risk on the prevalent internationalization of fund management. Japanese advancing abroad are being accompanied by risk about living, life and physical bodies, and so life insurance is demanded.

(7) Risk around home environment

As to life insurance this risk has the largest relationship and influence. It involves fixing of individualism and the mode of life based on it, advance toward core families, and the birth of the ability-base social order—all these are making the traditional life of familyism retreat. This means arrival of society in which one has to dispose all matters of life by himself. Therein self-help efforts on own responsibility are indispensable, which are represented by life insurance.

With the coming of the information society changing of men and society has been sped up waving life of individuals. Pressed by speedy changing national policies are merely repeating trial and error, which again brings about risk to life. Both conservative and reformative policies are mixed leading to confusion in life. At the same time nation's thought has changed—esteem of humanity, of rights, growing concept of reparations, etc.—introducing great qualitative changes into the mode and content of life. These outer and inner changes give people keen feelings about the need of life and other insurance, requiring more contemplation on the side of insurance about ways and contents.

New risk merges in numerous ways. In accompany with the growing complexity, precision and scale-expansion of society and family life, risk will increase seriousness and numbers, for example, increases in diseases, auto accidents and worker injuries. On all these sorts of risk life insurance operates its function of economic security. Of course the sorts are manifold—including natural and artificial debasement around homes—among which suitable ones are taken up by insurance as the matters of economic security.

### *III. Provision against Risk in the Current Age and Life Insurance*

If we are to survive in this age spread with and full of risk, what measures should we take? However much risk may increase, anxiety will be needless if provision is perfect. And human beings have continued to contrive various measures since the early epoch when they came to have intelligence and civilization, among which representative, and supreme in the current stage of culture,



may be the insurance system. Such insurance, however, has its characteristic features and corresponding limits, being not always almighty. Now let's consider what provision or counter-measures we can have and how insurance is positioned among them.

(1) Keeping power and flexibility to respond and meet risk by individual persons and firms

The first provision thinkable may be through-life education and learning to cultivate ability and to prevent isolation from society. As for business and nation this means improvement of productivity. Individuals, firms as well as nation must always endeavor for development of productive power. Individuals should make efforts in order not to become impotent, unnecessary, useless, obsolete or below-the-level ones. This is cultivation of both intellectual and physical power. Power to work must constantly be preserved and its quality, physical constitution, be improved. Generally rational, scientific and well-planned provision against risk is desirable regarding the quantity and quality of mental and bodily strength.

(2) Personal provision by individuals

This means self-help efforts on the ground of personal responsibility, and so may be said low-dimensional. It is form that each person behaves at the step of individuals and as an individual. Cooperational relations with others are not considered. Its foremost effort is careful attitudes of life paying much attention to collection, analysis and utilization of information. Carefulness will enable one to escape from, prevent and suppress risk and to stop its extension. Generally rationalization and high efficiency of life lead to avoidance of waste and alleviation of risk.

In terms of economy this is represented by bank deposits. Constant holding of depositis and additionally real estates, stocks, pictures and writings, antiques, jewels, furs and furniture of excellent classes is true a method sufficient to provide against risk. However, in view of convertibility to money, worry of preservation and inherent latent risk, deposits may be said the best. Deposits are representative one of counter-risk measures by personal efforts.

(3) Provision by collectivity of people with common will, though starting from personal standpoints

Basically this is a measure for one's own sake, on one's decision and fitted to one's position, but it is intended to build risk provision and attain the aim through unification, combination and grouping of many persons, that is, from a viewpoint of collective intention and interest. It may be called a joint effort, collective risk provision or combined mutual help.

First and foremost may be combination of consumers and people of common interests. Its sorts are numerous: groups of sufferers, utilizers, local residents,

college students, insureds, stock-holders, residents of group-house-land, of mansions, of company's houses, people of forced expropriation land or houses, patients, employees, employers, the weak, businessmen of a field and so on, endless to mention. Members of these groups exchange information, make joint learning, develop unified activities and take counter-risk measures. On respective sections and aspects they make collective propositions and participation and act toward social consensus. They work also for risk prevention, suppression, alleviation of damages, state's compensation, or pursuit of injurer's reparation liability. In short they make some kind of counter-risk provision.

However, in this respect of collective provision what is typical is of course insurance. It develops risk provision on the process of attaining economic security. In so far as being private insurance policyholders-utilizers-consumers buy it for their own sake. This individualistic motive, however, realizes a function of mutual help through the mechanism, structure, organization, theory and techniques of insurance. People who buy insurance have the same will of overcoming risk. And each one receives "equal treatment of policyholders," which is made possible by effecting "benefit counter-benefit equality." Policyholders of life insurance may know neither names nor faces among themselves, and so they cannot help others as individual beings. Nevertheless they are assisted through the system. That is overcoming of risk by the power of combination and collectivity.

(4) Counter-risk provision on the ground of state or politics

This represents measures against risk taken from the public standpoint, by public organs, as public systems and by public power. Their nature is contrasted with private efforts or mutual help. Its immediate aim is public, e.g. industrial peace, industry promotion, stable people's living and national welfare. Yet as an indirect and final result it leads to promotion of individual's fortune. And therein risk provision is involved.

For the sake of its succession and effectiveness people's participation in politics is necessary, and reflection of people's will in administration is indispensable. In the end this is the most fruitful working of democracy. Next to this, efforts for economic growth are to be wanted. That is, by the fruit of economic growth efforts for social stability are intensified and thus alleviation or discipiation of risk is achieved. Growth bears risk, yet without growth no measures to meet risk can exist. Speaking broadly it is considered to be more rational and fruitful to wipe out risk through growth than to have no provision because of lack of growth. If state or politics advances measures as the representative or the entrusted of nation particular characteristics and fruits will be born.

Nation-wide and common provision against risk is represented by the social security system. This is operated by state-politics, as its public duty, by official organs and with public authority. In pursuit of fulfillment, promotion and improvement of national welfare, and aiming at security of living of every people.

Attainment of welfare is right the result of elimination and overcoming of risk. Basically it rests on the collected power of individual persons but as the institution itself state-politics is charged with foundation and management. It may be said nationalization pursuing socialization of economic security. It covers risk of disability, diseases, injuries, numerous children, unemployment and so forth.

As has been so far stated, risk is manifold and so is provision against it. Yet representative measures may be bank deposits, insurance and social security. These have respectively merits and demerits, and so reasonable utilization matched to one's purpose on examination and comparison is to be wished. Any one of the three cannot be the best, but by analyzing the trend of economic growth of society we could say "from deposits to insurance" and "life insurance complements and fulfills social security," or more emphatically "life insurance works as proxy for social security."

As a merit of deposits, interest rates for term deposits are higher than in insurance. And to consider interest at the time point of half-way cancellation it is smaller than by deposits. Yet at the maturity of life insurance interest becomes more profitable. A merit of deposits is that fluidity of money is secured. This big merit is lost for term deposits on which preferability of interest is mentioned. And a handicap must be considered that presently the interest rate of ordinary deposits is lowest. In addition achievement of a target amount, if any, of deposits requires strong will which is hard to hold for common men. The specific-object insurance implies compulsory saving, akin to life insurance. And

Merits-Demerits of Insurance and Social Security Contrasted

	Insurance	Social Security
1	Neither gains nor losses among policyholders	Generally disadvantageous to middle classes; advantages to lower classes through income redistribution
2	Free selection	Mostly compulsory Minimum security uniform and equal (in amounts and rates)
3	Voluntary effectuation	Mostly compulsory
4	Cost is all personal burden	Burden of State, attendantly employer
5	Generally polite posture	Bureaucratic, inefficient
6	Profits of insurance firms	Possible evil conducts of concerned persons; disorderly medical inspections and treatments, over-treatments
7	Benefits to suffered persons alone	Pressure groups gain sometimes
8	No large rise of premiums foreseen	Sharp rise of burden foreseen, not always corresponding to increase in benefits
9	Varietiful commodity development	Introduction of new devices; addition of systems beyond insurance
10	Gradual intensification of public-interests and welfare	Gradual adoption of insurance theories and techniques

a merit of insurance, especially life, lies in that, while being of a compulsory-saving nature, always at the occasion of risk happening an approximately necessary amount (a fixed amount contemplated at effecting a policy) is paid. Thus life insurance may be said the best form of term depositing. On another hand, since the contract term is very long a damage of decreasing security value due to inflation is appearing, and in addition adaptation to changes of policyholder's living conditions is rather difficult.

#### *IV. Relation between Uncertainty and Risk*

While a phrase risk management has begun to be noticed among the academic and business circles, by theorists and businessmen, a word uncertainty is becoming popular among people, mostly of common classes. While the former is accepted by intelligent strata in a somewhat scholaristic sense, the latter is used as a popular word more extensively by, e.g. newspaper readers, audiences of general-interest journals, housewives, commenters (both specialist and amateur), consumer-organization members and so on.

By the by, risk and uncertainty are to be distinguished on a strict theory. Here I shall put aside such an argument that risk means possibility of happening of bad things while uncertainty means that of both bad and good things. In the below both risk and uncertainty are defined as terms concerning "whether or not" bad things occur. Now risk is defined as something on which beforehand grasp of probability of happening, emerge-or-not, can be grasped theoretically, statistically and by accumulation of past experience. And what is impossible to grasp its probability is uncertainty. Whether a certain earthenware will be cracked or not when it is dropped from a certain height on a certain place—this may be ultimately grasped as risk by calculation. On the contrary, in case a sheet of paper is vertically left from hands, provided there is no artificial work nor particularity on the sheet, it is utterly impossible to foresee whether the face or the back is shown on the floor. This is defined as uncertainty.

However uncertainty as a popular word in present Japan seems to imply a wide and multiple meaning combining both risk and uncertainty, that is, various conditions that generally threaten our life and business, especially those on which there is possibility of happening in future (whether remote or near) and yet forecast of happening is impossible. The expression uncertainty is wider in implication and more multangular than risk. Uncertainty is qualitatively changed to risk and woven into it according as theoretical study is advanced, experience is accumulated, statistical data are collected and arranged, and the law of large numbers is grasped on probability calculation. Unless being risk, nothing can be utilized for progress of science and institutions. Risk lies within the realm of science, while uncertainty puts one leg in fortunetelling and prophecy.

The theory and system of life insurance are of course based on risk. Matters such as "quite unclear on what is what" cannot be the object of insurance.

Insurance is an institution to cope with destiny. Yet it is such destiny as is measurable at the current level of human intelligence and science. In some cases of new-sort or new-type insurance conjecture is involved to a small extent. What renders this possible is confidence and organization of insurance firms that risk emergence within certain bounds can be disposed of by their financial power.

It is not to say that insurance can cope with any risk whatever it may be. If confined to life insurance this limit becomes more rigid. Consideration on such limitation of capability and scope leads to the argument of the boundary of insurance. This boundary can be conceived from two angles. The one is that the object of happen-or-not or emerge-or-not must be risk. The other is whether insurance firms find attractiveness as business in forming the matter concerned into insurance, and in supplying and selling it to society as a commodity. If they do not, state or government may take up as a system of insurance or quasi-insurance, or else in this society and period no economic security is given by the method of insurance.

#### *V. Presence of Unequality in the Present Age and Its Sorts*

Side by side with existing risk and uncertainty, the presence of inequality casts a serious problem upon our social environment. In so far as inequality is accepted as a problem of misfortune, it can be kept within men's personal mind as a kind of reconcillation. Once, however, the problem comes on people's consciousness as such the matter is not so simple. According as the present age comes to place emphasis on the problems of human mind, feelings or sentiment in addition to economic ones, the presence of inequality becomes a problem extending over both physical and mental sides, and it changes from a personal one to a social one, a social phenomenon.

Unequality propounds problems about individuals on the following three steps.

##### (1) Unequality at the start of one's life

Not only such conditions as property by inheritance, light of parent's prestige or promise of future positions, but also strong bodies, excellent brain and solid spirit endowed by parents mean existence of inequality to the eyes of those lacking in these. This is "unequality of competitive conditions," and in the past ages those who were unfortunate endeavored to find some content in servicing to god, improvement of personality or execution of some duty, instead of placing the aim of life on wealth or social status. Recently, however, social consideration has come to be made on institutions so as to bring conditions closer to equality as far as possible.

##### (2) Unequality on the mid-passage of life

This is appearance of inequality where competition, or say war, in life has

already begun. It is new appearance of inequality. It is mid-passage in the sense that time is incessantly flowing and men continue walking. Inequality that arises here concerns emergence of contingent disasters or misfortunes. Formerly people recognized these as "god's will or favor," a trial indispensable for building a human being, or otherwise as god's punishment on some cause, a tool of self-reflection. Presently these are taken as emergence of misfortune—what should be avoided if possible, on which non-emergence is preferable and in which no productive significance can be recognized.

(3) Inequality around fruit distribution after performance

This denotes distribution of fruits not only at the last stage of life but also at each sectioning of jobs or business. This is most clearly observable as inequality between capital and labor, manager and worker, and employer and employee. But it exists on every aspect and place of society: ① Riches become still richer, while poors still poorer—inequality between land-owner and non-owner, advantageous job and disadvantageous, doctor and patient. ② Inequality about taxation; heavy burdens particularly on middle classes, favorable treatment for doctors, separate taxation on interest and stock dividends, light burdening on farmers, etc. ③ Unequal distribution among generations, e.g. unfavorable positions of people born in later Taisho early Showa.

Such inequality of distribution bears nothing but social dissatisfaction, to brew up large social unrestness. This is inequality that comes most deeply on consciousness because it determines the state, content and level of life in both absolute and relative terms. This drives people to acts and conducts pursuing higher status, and works as a whip to push men to hard labor. On another hand, if brought to people's deep sense, it may cause general strikes or revolutionary movements.

*VI. Measures to Meet Inequality in the Present Age and Life Insurance*

Inequality at the start of life is adjusted for its physical aspect by enforcing such measures as heavy property and inheritance taxes, progressive income tax rates, abolition of status or class systems, and limitation to one generation of the honor, court-ranks and order of merit. As to the aspect of personality, since favored health, brain and sense are desirable for society it is necessary, not to check these, but to take measures to lead the inferior to the superior regarding both sides of education and medical provision.

From the viewpoint of individuals there is no reason to abandon their status at the start of life of their own accord. They should make efforts to become all the better taking advantage of favored conditions of competition. Such conditions should not be lost in their own cause, and for this the correct way may be utilization of available loss and life insurance. Life insurance to provide for inheritance taxes, key-man life insurance (or president's, director's

insurance), various sickness insurance, children insurance and marriage-expense insurance make a kind of measure.

Unequality on the mid-passage of life is just what renders possible the most effective use of insurance. Both life and non-life insurance should be combinedly utilized. By overcoming accidental disasters, misfortunes and undesirable situations by means of insurance, the flow of life must be smooth; personal use goes to private insurance, public use to public.

Insurance is, however, a measure of post-factum disposition, and so other efforts of prevention and suppression can exist. Prevention—suppression (or subjugation)—post-factum disposition: through this series of measures contingency and risk are overcome, and inequality is eliminated and wiped out. So inequality in the mid-passage of life means “inequality of fortune, especially emergence of unlucky fortune.”

As regards inequality around distribution of fruits, the so-called income redistribution policy takes the central place. And here the social security system again makes the center, yet even private insurance, e.g. group life insurance and company pension insurance, could cooperate for adjustment of inequality. And social security-insurance does not perform income redistribution at random but by the moment of emergence of insured risk. Therefore inequality adjustment—mainly social insurance and cooperatively some kind of private insurance—should be promoted in combination with the above-mentioned measures for equality by insurance regarding inequality on the mid-passage of life, and by unlucky fortune.

Distribution of fruits is naturally affected by power relations. Pressure groups (labor unions, agricultural cooperatives, doctors' associations, ex-soldier groups, consumer organizations, the teachers' union, left-wing student groups, various employers' organizations, etc.) actively operate, adjusting or sometimes deepening inequality.

If inequality adjustment were excessively promoted, men would lose will of working as well as saving. In some cases they might lack power of attention (to provide for disasters, etc.). Working and asset-building are meaningless; carelessness will be covered by some means or by help of some one. These feelings piled up, men come to look labor lightly and ignore efforts. Then social environment around life and business dwindles away. So it is necessary that men, by independent efforts on own responsibility, overcome inequality on the mid-passage of life, strives for asset-building as far as possible for favorable conditions of competition, and enlarge fruits through labor and success. Private insurance is a kind of system of adjusting inequality.