

July 31, 2015

Sompo Japan Nipponkoa Holdings, Inc.

**SOMPO HOLDINGS Joins Business Call to Action (BCtA)  
as the First P&C insurance Group in the World**

Weather index insurance<sup>\*1</sup> provided by Sompo Japan Nipponkoa Holdings, Inc. (Group CEO: Kengo Sakurada, hereinafter "SOMPO HOLDINGS") has been approved to become a member of the Business Call to Action<sup>\*2</sup> (BCtA) alliance led by the United Nations Development Programme (UNDP). The weather index insurance is being lauded for its business model promoting both commercial success and sustainable development. SOMPO HOLDINGS is the first financial institution in Japan and the first property and casualty (P&C) insurance group in the world to be granted BCtA membership.

**\*1. The weather index insurance:**

Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when weather index—such as for temperature, wind speed, rainfall, or hours of sunshine—exceed certain thresholds. The intensifying effects of climate change have been generating growing interest in weather index insurance in recent years as a climate change adaptation measure, particularly in developing countries with agricultural sectors susceptible to changing climate impacts.

**\*2.** Launched in 2008, BCtA is a unique multinational alliance between key donor governments and the UNDP that aims to accelerate progress towards development goals by challenging the private companies to develop inclusive business models that offer the potential for both commercial success and development impact. The BCtA secretariat is hosted at UNDP, and key donors include; the United States Agency for International Development(USAID), the UK Department for International Development(DFID), the Swedish International Development Cooperation Agency(Sida), Ministry for Foreign Affairs of Finland, and the Dutch Ministry of Foreign Affairs administer the BCtA with support from in collaboration with the UN Global Compact, Inter-American Development Bank and the World Bank Group's International Finance Corporation. (URL: <http://www.businesscalltoaction.org/>)

## 1. Our products in Southeast Asia

### (1) Thailand

SOMPO HOLDINGS began selling weather index insurance in 2010 to alleviate the losses borne by rice farmers in northeast Thailand when their crops were damaged by drought. When drought hit the region in 2012, insurance claims were promptly paid out to more than 80% of policyholders. The prompt payments boosted the product's popularity, allowing us to expand sales to 20 provinces in northeast Thailand.

### (2) Myanmar

In December 2014, the weather index insurance was launched for drought risk faced by rice and sesame farmers in the central arid region of Myanmar. This insurance—the first Japanese insurance product of its kind—was jointly developed with the Remote Sensing Technology Center of Japan (RESTEC) based on a rainfall index using satellite observation data.

### (3) Other countries

The Typhoon Guard Insurance, a type of weather index insurance, was launched in 2014 for banana farmers in the Philippines. We also started a preliminary survey to launch weather index insurance in Indonesia.



Thai farmers attending an explanatory meeting



A preliminary survey conducted in Myanmar

## 2. Acclaimed approaches

Supporting sustainability has long been a focus of the Sampo Japan Nipponkoa Group's CSR activities, and the Group proactively contributes to global initiatives led by the United Nations and other entities. Remote sensing technology shows the future potential for increasing applications in developing countries that do not have the infrastructure to compile detailed weather information. Our efforts to utilize the technology have been highly lauded as a new approach to enhancing the resilience of small-scale farmers

vulnerable to extreme weather events. The product explanatory meetings are also being praised for empowering people with low-income in developing countries by promoting financial inclusion and learning opportunities.

### 3. Moving forward

BCtA membership will provide momentum to our efforts to broaden the availability of weather index insurance to farmers in Southeast Asia facing climate change risks. We strive to contribute to realizing a sustainable society by providing solutions to those who are vulnerable to risks while achieving sustainable growth for our business.



**SOMPO**  
HOLDINGS

SOMPO HOLDINGS is the abbreviation of Sompo Japan Nipponkoa Holdings, Inc. and our Group.