

March 6, 2015

Sompo Japan Nipponkoa Holdings, Inc.
Remote Sensing Technology Center of Japan
National Institute for Agro-Environmental Sciences

Commencement of preparatory survey in Indonesia for the introduction of the Weather Index Insurance for agricultural workers

The preparatory survey in Indonesia for the introduction of the Weather Index Insurance^{*1} for agricultural workers that will be carried out by Sompo Japan Nipponkoa Insurance Inc. (hereinafter, “Sompo Japan Nipponkoa”), PT. Asuransi Sompo Japan Nipponkoa Indonesia (hereinafter, “Sompo Japan Nipponkoa Indonesia”) and Sompo Japan Nipponkoa Risk Management Inc. (hereinafter, “Sompo Japan Nipponkoa Risk”), which are subsidiaries of Sompo Japan Nipponkoa Holdings, Inc. (President: Kengo Sakurada; hereinafter, “SOMPO Holdings”), has been adopted as a “Preparatory Survey for BOP business promotion”^{*2} of Japan International Cooperation Agency (JICA).

This preparatory survey was proposed jointly with the Remote Sensing Technology Center of Japan^{*3} (RESTEC) and National Institute for Agro-Environmental Sciences^{*4} (NIAES). With the support of JICA, we will proceed with the preparatory survey for introduction with the aim of launching the product within FY2018.

1. Background

In Indonesia, farmers of the BOP class are sustaining serious damage due to the increase in natural disasters caused by climate change and other factors. Under such circumstances, we intend to make efforts to realize management stability for farmers and aim to develop Indonesia’s insurance market through the provision of Indonesia’s first private Weather Index Insurance for agricultural workers.

2. Details of products and marketing

SOMPO Holdings Group already offers the Weather Index Insurance in Thailand and the Philippines, building on know-how accumulated in Japan. Moreover, the Weather Index Insurance for Myanmar’s farmers is being developed and planned for sales.

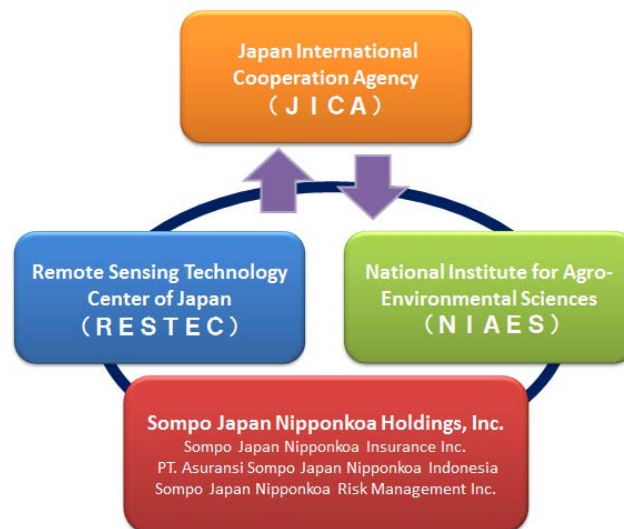
The Weather Index Insurance in Indonesia will be based on the products of such countries, and the marketing that is being considered is to sell through domestic banks in Indonesia and be underwritten by Sompo Japan Nipponkoa Indonesia. In the preparatory survey, we will consider several types of the product and marketing to respond flexibly to the needs of farmers and banks.

3. Structure of promoting the preparatory survey for introduction

The preparatory survey for introduction will be carried out under the cooperation of subsidiaries of

SOMPO Holdings and RESTEC and NIAES as JICA's Preparatory Survey for BOP business promotion.

SOMPO Holdings intends to continue its efforts in developing and providing new products and services that build on its financial insurance functions and contribute to the solution of social issues.



(*1) Weather Index Insurance

A insurance that pays out contractual amount when weather indicators (amount of rainfall, temperature, etc.) meet predetermined conditions.

(*2) Preparatory Survey for BOP business promotion

BOP (Base of the Pyramid) refers to the poverty class living on an annual income of less than USD3,000, and is thought to comprise 4 billion people globally. BOP business is a business in which private companies build on their own know-how to seek solutions to diverse social issues that the BOP class faces, while securing profitability. JICA's Preparatory Survey for BOP business promotion is a survey that examines and confirms the development of business models, the preparation of business plans, and the feasibility of collaboration with JICA's businesses, based on proposals from Japanese corporations planning to enter the BOP business in developing countries.

(*3) Remote Sensing Technology Center of Japan

An organization that carries out comprehensive research and development and service provision related to remote sensing in exploring the earth's current state, using artificial satellites, etc. (President: Kaname Ikeda)

(*4) National Institute for Agro-Environmental Sciences

An organization that carries out research and technical development related to agriculture and the environment. (President: Kiyotaka Miyashita)

<Reference> Weather Index Insurance that SOMPO Holdings provides overseas

Name of country	Outline
Thailand	<ul style="list-style-type: none">• Sompo Japan Nipponkoa Insurance (Thailand) has been selling Weather Index Insurance to rice farmers in northeastern Thailand who have taken out loans from the Bank for Agriculture and Agricultural Cooperatives (BAAC) since 2010.• In answer to requests from local customers and BAAC, the sales area of the product has increased to 17 provinces since July 2014.
The Philippines	<ul style="list-style-type: none">• PGA Sompo Japan Insurance Inc. has been selling “the Typhoon Guard Insurance” that aims to alleviate the damage to agricultural producers from typhoons in Mindanao in the southern Philippines since August 2014.• The Typhoon Guard Insurance is an index insurance that pays out a certain amount of insurance if the center of a typhoon passes the predetermined area.• It is the first index insurance for the passing of typhoons in the Philippines insurance industry.
Myanmar	<ul style="list-style-type: none">• Sompo Japan Nipponkoa and RESTEC have jointly developed a Weather Index Insurance for Myanmar’s rice and sesame farmers, and plan to start sales in FY2015 through a Myanmar insurance company.• Since weather observation infrastructure and past weather data are not sufficient in Myanmar, we have developed with RESTEC a Weather Index Insurance using the amount of rainfall estimated from artificial satellites. This is the first development of a Weather Index Insurance using artificial satellite data in Myanmar.