

### **Weather Index Insurance in Southeast Asia Receives Environmental Minister's Award**

Weather index insurance<sup>1</sup> offered by Sompo Japan Nipponkoa Holdings, Inc. (President: Kengo Sakurada, hereinafter "SOMPO HOLDINGS") received the Environmental Minister's Award of Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)<sup>2</sup> at the General Assembly held on March 9, 2016 hosted by the Ministry of the Environment.

This time, Sompo Japan Nipponkoa Insurance Inc. (President: Masaya Futamiya, hereinafter "Sompo Japan Nipponkoa") received the award as a representative of the Sompo Japan Nipponkoa Group.

The award recognizes SOMPO HOLDINGS for the social contribution, proactive application of the Paris Agreement, and future potential for the Weather Index Insurance.

- The award recognizes the contribution SOMPO HOLDINGS has made to society by applying its broad range of risk analysis expertise to develop products in its core insurance business and creating a product designed to mitigate the impact from climate change.
- The award also recognizes the company for its proactive efforts to meet the environmental guidelines of the Paris Agreement adopted at the 21st annual Conference of the Parties (COP21). SOMPO HOLDINGS introduced its Weather Index Insurance in Thailand in 2010 to great expectations in Southeast Asian countries where agriculture is a central industry, and the product has become a staple for protection against the adverse effects of climate change.
- Finally, the award recognizes the future potential of the Weather Index Insurance. Originally designed for farmers in Northeast Thailand, SOMPO HOLDINGS subsequently implemented developing of similar Weather Index Insurance products in Myanmar, the Philippines, and Indonesia, and continues to develop products for other regions worldwide.

#### 1. Weather index insurance

Weather index insurance is an insurance product that pays out a contractually predetermined insurance amount when weather indices—such as temperature, wind speed, rainfall, or hours of sunshine—exceed specified 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 impact from climate change.

#### 2. Principles for Financial Action Towards a Sustainable Society (Principles for Financial Action for the 21st Century)

The Principles for Financial Action for the 21st Century (PFA21) were formulated in October 2011 as action guidelines for financial institutions to fulfill their roles and responsibilities supporting the development of a sustainable society. Sompo Japan Nipponkoa was actively involved in the drafting committee that formed the principles. As of May 2015, 195 Japanese financial institutions are signatories of PFA21.

Details about the Weather Index Insurance in Southeast Asia are available at the following website.

[http://www.sompo-hd.com/~media/hd/en/files/news/2015/e\\_20150731\\_1.pdf](http://www.sompo-hd.com/~media/hd/en/files/news/2015/e_20150731_1.pdf)



*Sompo Japan Nipponkoa President Masaya Futamiya receives the Environmental Minister's Award from Soichiro Seki, Vice Minister for Global Environment, Ministry of the Environment.*

SOMPO HOLDINGS will continue to provide and develop weather index insurance for farmers in Southeast Asia susceptible to the impact of climate change. SOMPO HOLDINGS is dedicated to providing insurance solutions to people vulnerable to risk with the mutually beneficial objectives of realizing sustainability for society and our business growth.