

September 7, 2020

## **Sompo International to Acquire Diversified Crop Insurance Services and Become One of the Largest Crop Insurance Providers in North America and the World**

Sompo Holdings, Inc. (Group CEO & President: Kengo Sakurada), hereby announced today that Sompo International Holdings Ltd., a wholly owned subsidiary of Sompo Holdings, will acquire Diversified Crop Insurance Services, a subsidiary of CGB Enterprises, Inc.(CGB) .

### **1. Background of the transaction and the strategic rationale**

- The addition of Diversified to Sompo International's existing, global AgriSompo platform which already includes ARMtech, the 6th largest underwriter of U.S., federally sponsored multi-peril crop insurance, will create one of the largest crop insurance providers in North America and the world with combined gross written premiums of over \$2 Billion (JPY 210.7 Billion\*1) in 2019.
- Since the formation of AgriSompo in 2017, Sompo International has been adding agriculture insurance businesses and capabilities around the world, including the acquisition of A&A s.r.l. in Italy, partnering with the MGA Atlas in Portugal, introducing new crop funding and yield products through our subsidiary in Brazil, partnering with SV SparkassenVersicherung in Germany on multi-peril crop protection covers and partnering with CropTrak, a technology company that specializes in providing digitized solutions to improve traceability and sustainability across the food supply chain. The acquisition of Diversified strongly complements these efforts and reinforces Sompo International's commitment to the agriculture insurance market on a significant scale. Specifically, Diversified provides Sompo International with additional capabilities in North America in terms of product, geographic spread, an extensive distribution network, an excellent reputation for customer service and a proven track record of achieving profitable growth across products.

### **2. Comments from Sompo International's management**

- Chris Gallagher, CEO, Sompo International P&C commented, "The acquisition of Diversified aligns with the strategic vision for our AgriSompo platform, which is to build a multinational, broad reaching crop insurance business that is market leading. Diversified will add additional capabilities and scale to our ARMtech crop insurance business and together, we will provide a level of product, technology and service to our customers and distribution partners that is unprecedented in the industry. Under the leadership of Chris Sparro, CEO of U.S. Insurance, ARMtech and Diversified will begin the integration planning process immediately. We anticipate the transaction to close in the period from October to December, following the

receipt of all required regulatory approvals.”

- Chris Sparro, CEO, U.S. Insurance, shared, “Diversified is a great addition to Sompo International as we continue to expand the scope and scale of our crop insurance business in a meaningful and relevant way. We look forward to working with CGB and Diversified to ensure a seamless transition for both of our organizations. I am excited that we are continuing to build out our global franchise in the crop insurance segment and am looking forward to delivering the unparalleled service, product and technology to our clients and distribution partners that a combination of ARMtech and Diversified will be able to offer.”

### 3. Overview of Diversified Crop Insurance Services (DCIS)

(1)	Year of establishment	1997
(2)	Headquarters	Lenexa, Kansas U.S.
(3)	Nature of business	DCIS provides customer service for crop insurance and risk management. DCIS is part of the Federal Crop Insurance system and services policies in 48 states.
(4)	Agency premium*2	Approximately USD 1,084 Million (JPY 114.2 Billion*1) (2019 actual)
(5)	Major insurance products	Crop insurance

\*1 Exchange rate is \$1= JPY 105.36 as of August 31, 2020.

\*2 Direct written premiums of federally sponsored multi-peril crop insurance

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