

PRESS RELEASE

31 March 2016

**SOMPO CANOPIUS PARTNERS WITH RMS TO BUILD WORLD'S FIRST
MARINE CATASTROPHE MODEL**

Sompo Canopus AG (“Sompo Canopus”) announces today that it has partnered with catastrophe modelling market leaders Risk Management Solutions (RMS) in the specification and build of the world’s first marine cat model. As joint development partner since 2015, Sompo Canopus has worked with RMS to address limitations to the industry’s ability to effectively quantify man-made and natural catastrophe risk to marine classes.

Sompo Canopus partnered with RMS and six other (re)insurers to compile data, build and calibrate models to assess vulnerability of cargo and specie more realistically, particularly with respect to product classification, storage and packaging. Significant global exposure accumulations have been studied in detail to improve representation of these key risks with respect to natural and man-made perils.

Marek Shafer, Head of Catastrophe Management at Sompo Canopus, commented, “Significant marine losses such as the 2011 Tohoku earthquake, 2012 Hurricane Sandy and the 2015 Tianjin explosion have improved the understanding of the link between property and marine lines of business. They have also reinforced Sompo Canopus’s belief that the approach to catastrophe management should be holistic across our group. The practice of square pegging marine exposure into the round holes of property catastrophe risk models is now recognised as inappropriate. A new approach is needed to align these correlated classes and our collaboration with RMS represents a key step on this journey.”

RMS announced today that it had released “Marine Cargo Catastrophe Modelling: Navigating the Challenges, Charting the Opportunities”, a report explaining key elements in the development of this new model. The report also examines the current state, best practices, and future of marine modelling.

– Ends –

Notes for editors:

Following the press release earlier from RMS regarding this report, both RMS and Sompo Canopus are available for comment on this topic.

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About Sompo Canopus AG (“Sompo Canopus”)

1. Sompo Canopus is a global specialty (re)insurer which is wholly-owned by Sompo Japan Nipponkoa Insurance Inc., one of the top three Japanese insurers with a market share in Japan of 28%. This company is a subsidiary of Sompo Japan Nipponkoa Holdings, Inc. (“Sompo Holdings”) which is listed on the Tokyo Stock Exchange (No. 8630).
2. As at 31 March 2015 Sompo Holdings had total assets of \$84.9 billion, ordinary income of \$27.3 billion, profit after tax of \$452 million and a solvency margin ratio of 820.7%. As of 31 December 2015 the company had a market capitalization of \$13.8 billion.
3. Sompo Canopus has underwriting operations in the UK, Netherlands, Switzerland, Bermuda, US and Singapore. It underwrites through Lloyd’s Syndicate 4444 (managed by Canopus Managing Agents Limited); a US surplus lines insurer, Canopus US Insurance, Inc.; and a Zurich-based reinsurance company, Sompo Japan Canopus Reinsurance AG.
4. Sompo Canopus offers the following specialist lines:

Property

- Direct and facultative commercial property
- North American excess and surplus lines binding authorities, including commercial property, SME commercial package, casualty, homeowners, auto

Reinsurance

- Property treaty
- Casualty treaty
- Marine treaty

Marine, Energy & Engineering

- Marine insurance, including cargo, liability, property, specie, niche hull and space
- Energy insurance, including property, liability, OEE/COW, construction, renewable
- Construction and engineering

Political Risks & Crisis Management

- Political risk and crisis management, including political risk and trade credit, aviation war and crisis management (contaminated product, sabotage and terrorism, kidnap and ransom)

Casualty and Accident & Health

- Casualty, including excess casualty, international general liability, professional indemnity, and financial institutions
- International accident & health

UK Specialty

- Household and specialist property / niche personal lines
- Casualty, including accident & health and professional indemnity
- Commercial combined for the SME sector
- Specialist Consumer Products, including warranty, creditor, mortgage indemnity and accident & health
- Marine including pleasure craft and marine trade
- Motor including personal, commercial and specialist vehicles

For more information, visit www.sompocanopius.com, www.sompocanopiusre.com and www.sompo-hd.com/en