



Sompo Japan Nipponkoa



SOMPO CANOPIUS

## **PRESS RELEASE**

14 May 2017

### **NAT CAT MODEL FOR NORTH WEST AUSTRALIA OFFSHORE INSTALLATIONS LAUNCHES AT APPEA 2017**

Sompo Japan Nipponkoa Insurance, Inc, (SJNKI) and Sompo Canopus AG (“Sompo Canopus”) are today launching a Natural Catastrophe Risk Model for North-West Australia Offshore Installations, at the APPEA Conference and Exhibition 2017 (APPEA 2017), Australia’s oil and gas industry’s leading event. The model development was carried out by Sompo Risk Management & Health Care Inc., which provides analytics and model development within the Sompo group.

This is the first stochastic natural catastrophe model for offshore North West Australia that offers a quantitative assessment of cyclone risk and the impact it could have on the expanding offshore industry.

The model utilises three elements, Hazard Module, which stochastically evaluates wind and wave levels; Vulnerability Module, which computes the potential level of damage a storm could cause and the Financial Module, which drills down to the losses that exploration and production property could sustain and applies insurance coverage to them.

These three elements combined deliver a comprehensive resource that can be used in underwriting, the design of terms and conditions, risk evaluation and assessment of appropriate levels of cover, reinsurance or capital needed.

Tatsuhiko Okubo, Energy Section Manager at SJNKI, said, “The prevalence of frequent and extreme cyclone activity in the region clearly demonstrates the threat to property located within the North West Shelf area of Australian territorial waters. Undoubtedly, the loss potential that powerful storm systems pose to operators and their partners in the offshore exploration and production industry is increasing with the ongoing expansion of infrastructure in the North West Shelf.”

Steve Warren, Sompo Canopus Group Head of Energy & Engineering, added, "We are proud to have been part of the development of the first stochastic model of the region and to be talking about it at APPEA 2017. This model will help us in supporting our brokers and clients to understand and manage their risks more effectively, as the region's energy industry continues its ongoing rapid development."

– Ends –

***Copy of the paper detailing the new model is attached.***

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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 Holdings, Inc. ("Sompo Holdings") which is listed on the Tokyo Stock Exchange (No. 8630).
2. As at 31 Dec 2016 Sompo Holdings had total assets of \$91 billion, ordinary income of \$1.4 billion, profit after tax of \$945 million and a solvency margin ratio of 931%. As of 31 Jan 2017 the company had a market capitalization of \$15 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 (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
- Commercial combined for the SME sector
- Specialist Consumer Products including warranty, creditor, mortgage indemnity and accident & health

For more information, visit [www.sompocanopius.com](http://www.sompocanopius.com), [www.sompocanopiusre.com](http://www.sompocanopiusre.com) and [www.sompo-hd.com/en](http://www.sompo-hd.com/en)