

Continuing Participation in the “Pacific Disaster Risk Financing and Insurance Program”

Mitsui Sumitomo Insurance Co., Ltd. (President: Yasuyoshi Karasawa) (hereinafter “the Company”), a member of the MS&AD Insurance Group, has again been selected as one of the underwriters for natural disaster risk under the Pacific Disaster Risk Financing and Insurance Program renewed on November 1, 2014.

This program was established in 2013 through cooperation between the Government of Japan and the World Bank with the objective of providing reconstruction funds promptly to affected countries/regions in cases where natural disasters of a certain scale occur in Pacific Island countries without well-developed insurance capacity for such instances.

Through this program, the Company is committed to making a social contribution to the Pacific Island region and will support various initiatives to enable countries in that region to better cope with natural disasters.

1. Overview of the Program

- (1) Name: Pacific Disaster Risk Financing and Insurance Program
- (2) Countries Covered: the Independent State of Samoa, the Kingdom of Tonga, the Republic of the Marshall Islands, the Republic of Vanuatu and the Cook Islands
- (3) Commitment Period: November 1, 2014 to October 31, 2015
- (4) Risks Covered: Tropical cyclones and earthquakes
- (5) Notional Amount: Maximum of approximately 4.3 billion yen

2. Scheme of the Program

Through derivative transactions with the International Development Association, a member of the World Bank group, Pacific Island countries will be provided with recovery funds in the event that they suffer natural disasters of a predetermined scale.

Since payments are made in accordance with standards for forecast damage amounts under defined risk measurement models based on damage parameters (wind velocity for tropical cyclones, magnitude for earthquakes, etc.), there is no need for damage assessments, and countries hit by disasters will quickly be able to procure funds for recovery.

