

Comprehensive business cooperation agreement with Lao private non-life insurance company

Sompo Japan Nipponkoa Insurance Inc. (hereinafter “Sompo Japan Nipponkoa,” President: Keiji Nishizawa), a 100% subsidiary of Sompo Holdings Inc. (President: Kengo Sakurada), has concluded a comprehensive business cooperation agreement with Lao-Viet Insurance Company (hereinafter “Lao-Viet”).

It is the first time for non-life insurance industry in Laos to conclude a comprehensive business cooperation agreement between Lao private non-life insurance company and foreign non-life insurance company.

Lao-Viet is ranked as the second largest non-life insurance company by premium income in Laos. Since one of shareholders of Lao-Viet is BCEL which is the largest bank in Laos, Lao-Viet has wide network throughout Laos.

Sompo Japan Nipponkoa thinks the development of Mekong Economic Region (Thailand, Vietnam, Cambodia, Laos, and Myanmar) is the important business opportunity. Therefore Sompo Japan Nipponkoa has been strengthening underwriting structure in this area.

The real GDP growth ratio of Laos is about 7% every year and this is the highest level in Mekong Economic Region. It is predicted that the expansion of corporate business to Laos will be accelerated more by taking advantage of low-cost labor force and low-cost stable power supply in Laos. In addition to it, as the launch of ASEAN Economic Community in 2015 gives boost to this trend, the Lao insurance market is also expected to develop accordingly.

Sompo Japan Nipponkoa has set up Laos Division in Sompo Insurance (Thailand) Pcl and maintained the service infrastructure such as underwriting scheme for corporate business by utilizing Fronting method*. Sompo Japan Nipponkoa contributes to the development of Lao insurance market through a wide variety of business activities in cooperation with Lao-Viet.

*Fronting method : Lao-Viet underwrites insurance contract for interest in Laos, then Sompo Japan Nipponkoa underwrites some part or all of that risk as a reinsurance company.

【Profile of Lao-Viet】

Name	Lao-Viet Insurance Company
Head Office Address	44 No., Lanxane, Vientianes, Laos
Paid in capital	USD 3,000,000 (as of Aug, 2016)
Year of foundation	June, 2008
Number of Employee	About 100 (as of Dec, 2015)
Product line	Car insurance, Fire insurance, Construction insurance, Aviation insurance, Cargo insurance, etc.