


<b>Title of case study</b>	<b>Weather Index Insurance for drought risk in Thailand</b>
<b>Name of organization(s)</b>	<b>Sompo Japan Insurance, Inc.</b>
<b>Business sector</b>	Financial Sector
<b>Region(s) relevant to case study</b>	<input type="checkbox"/> All regions <input type="checkbox"/> Africa and the Arab States <input checked="" type="checkbox"/> Asia and the Pacific <input type="checkbox"/> Caribbean and Central America <input type="checkbox"/> Europe <input type="checkbox"/> Least Developed Countries <input type="checkbox"/> North America <input type="checkbox"/> Polar regions <input type="checkbox"/> Small Island Developing States <input type="checkbox"/> South America
<b>Country(s) relevant to case study</b>	Thailand
<b>Adaptation sector(s) relevant to case study</b>	<input type="checkbox"/> Business <input type="checkbox"/> Education and training <input checked="" type="checkbox"/> Food security, agriculture, forestry and fisheries <input type="checkbox"/> Human health <input type="checkbox"/> Oceans and coastal areas <input type="checkbox"/> Science, assessment, monitoring and early warning <input type="checkbox"/> Terrestrial ecosystems <input type="checkbox"/> Tourism <input checked="" type="checkbox"/> Transport, infrastructure and human settlements <input checked="" type="checkbox"/> Water resources <input type="checkbox"/> Other (please specify):
<b>Adaptation activity</b>	<p>Since 2007 Sompo Japan has been carrying out research on risk finance methods to respond to climate change together with organizations including Japan Bank for International Cooperation. As a result, Sompo Japan began offering Weather Index Insurance in Khon Kaen Province in northeast Thailand in January 2010. This product, which is one method of adaptation to climate change, aims to reduce damage caused by droughts for rice farmers who rely heavily on rainfall, by linking compensation to precipitation.</p> <p>The development of weather index insurance requires highly</p>

	<p>reliable long-term meteorological data. Khon Kaen Province has relatively precise meteorological weather stations, making it a suitable target for product development. Insurance coverage as well as penetration rates are low - Thai farmers are unfamiliar with insurance and struggle to pay back loans taken for agricultural equipment.</p> <p><a href="#">Sompo Japan Insurance Thailand (SJIT)</a> worked to develop a new scheme to sell its insurance product to farmers who used loans from Thailand's Bank for Agriculture and Agricultural Co-Operatives (BAAC) via the BAAC. Users highly praised how easy it was to understand this product, and SJIT achieved 1,158 applications in approximately four months of the first year (which exceeded its target of 1,000 applications). In response to a request from BAAC to expand the regions where this product is sold, SJIT decided to begin sales in four new provinces.</p> <p>From February 2011, SJIT started the second round of solicitation and received 6,173 applicants. Sompo Japan will consider revising the content of this product, as well as diversifying its target crops and expanding into other provinces in Thailand and other countries.</p>
<p><b>Cost-benefit</b></p>	<p>While SJIT has not yet recovered return costs of the Weather Index Insurance, it believes this product has business value from future exploitation of local markets, diversification of weather risks, and enhanced CSR through Sompo Japan's core business practices.</p>
<p style="text-align: center;">CLICK FOR MORE INFO</p> 	



Source: Sompo Japan Insurance, Inc.