

English translation

Insurance protects farmers more optimally, Singapore develops artificial intelligence-based insurance model



Farmers are planting rice in the rice fields. | Photo: Insurance Media/Arief Wahyudi

By Benjamin D Hana

Media Insurance, GLOBAL – Researchers from Singapore's Nanyang Technological University (NTU) have developed an artificial intelligence (AI)-based insurance model. The model is designed to provide more affordable protection for farmers against weather risks due to climate change.

Reporting from the Insurance Asia page, Monday, November 25, 2024, this model is claimed to be able to increase the wealth of policyholders by up to five percent while offering premiums 37 percent cheaper than the average.

The team from Nanyang Business School, led by Associate Professor Zhu Wenjun and Assistant Professor Zhang Jinggong, leveraged neural networks to analyze the complex relationship between weather variables, such as temperature and precipitation, and crop production losses.

This approach differs from conventional linear models and generates AI-based weather index insurance contracts.

The researchers believe this cost efficiency could increase the attractiveness of insurance for farmers. In addition, this model is expected to help governments reduce the financial burden on public institutions during the climate crisis.

This research also shows the potential of AI in revolutionizing financial product design in various sectors and regions.

<https://mediaasuransinews.co.id/asuransi/lindungi-petani-lebih-maksimal-singapura-kembangkan-model-asuransi-berbasis-kecerdasan-buatan/>