S'pore's NTU develops AI model for affordable farmer insurance

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[Nanyang Technological University](#)'s Nanyang Business School researchers have developed an artificial intelligence (AI) driven insurance model [designed to offer farmers more cost-efficient protection against weather risks](#) linked to climate change.

Using neural networks, the team identified complex relationships between weather variables like temperature and rainfall and crop production losses, which differ significantly from conventional linear models.

The study, co-led by Associate Professor Zhu Wenjun and Assistant Professor Zhang Jinggong, resulted in the creation of a weather index insurance contract.

This AI-based policy could improve policyholders' wealth by nearly 5% whilst being 37% cheaper than the average price considered in the study.

The researchers believe this cost efficiency could boost demand for such products.

The findings could assist governments in refining strategies to alleviate the financial strain on public agencies during climate-related crises. It also showed the potential for AI to transform the design of financial products across industries and regions.

https://sbr.com.sg/insurance/news/spores-ntu-develops-ai-model-affordable-farmer-insurance