

A Review of Climate Index Insurance in the Field of Agriculture Using the Copula Model

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Abstract

Climate change increases the risk of weather-related disasters in many regions of the world, this has a detrimental economic impact on the agricultural sector. In 1980-1990 and 2004 and 2014 there were annual climate-related disasters, on average causing losses in the agricultural sector of approximately US \$ 14M and US \$ 100M worldwide. Climate index insurance has been used as a risk transfer in the agricultural sector to provide compensation to farmers, so farmers can maximize agricultural products. This paper goal reviews the methods used in climate index insurance in agriculture based on the Copula model.

Keywords : Climate, Climate index, Climate Index insurance, Copula.

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