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Thilini V Mahanama* (thilini.v.mahanama@ttu.edu) and **Abootaleb Shirvani**. *A Natural Disasters Index*.

Natural disasters, such as tornadoes, floods, and wildfire pose risks to life and property, requiring the intervention of insurance corporations. One of the most visible consequences of changing climate is an increase in the intensity and frequency of extreme weather events. The relative strengths of these disasters are far beyond the habitual seasonal maxima, often resulting in subsequent increases in property losses. Thus, insurance policies should be modified to endure increasingly volatile catastrophic weather events. We propose a Natural Disasters Index (NDI) for the property losses caused by natural disasters in the United States based on the “Storm Data” published by the National Oceanic and Atmospheric Administration. The proposed NDI is an attempt to construct a financial instrument for hedging the intrinsic risk. The NDI is intended to forecast the degree of future risk that could forewarn the insurers and corporations allowing them to transfer insurance risk to capital market investors. This index could also be modified to other regions and countries. (Received September 10, 2020)