

Topic 1: Availability bias and natural disasters

- **Supervisor:** MSc. Koen van Boxel
- **Reference paper:** Botzen, W., Kunreuther, H., & Michel-Kerjan, E. (2015). Divergence between individual perceptions and objective indicators of tail risks: Evidence from floodplain residents in New York City. *Judgement and Decision Making, 10*(4), 365-385.
- Our view of the world is created by the information we are exposed to, and this is not always correct; there is an availability bias. You might think that something happens more frequently if you have experienced it yourself, despite there being measured much more objective measures. How does this relate to natural disasters and developing countries; do people experience this availability bias when it comes to floods, storms, or other natural ongoing disasters.

Topic 2: Risk preferences in agriculture

- **Supervisor:** MSc. Koen van Boxel
- **Reference paper:** Barsbai, T. & Schmidt, U., Zirpel, U. (2022). Overconfidence and Risk Taking in the Field: Evidence from Ethiopian Farmers. *Economic Development and Cultural Change*, 70(3), 1066-1102.
- Typically in economics, there is a trade-off between an expected return and riskiness of a certain activity. For developing countries a prime example may be agriculture. Diversifying crops rather than simply cultivating the (at that point in time) highest yielding one enables farmers to reduce price risk. By having a look at individual characteristics and risk attitudes of participants in agriculture you can investigate their decision-making in various economic activities, as well as their insurance demand.

Topic 3: Gender and natural disaster insurance

- **Supervisor:** MSc. Koen van Boxel
- **Reference paper:** Borghans, L., Heckman, J. J., Golsteyn, B. H., & Meijers, H. (2009). Gender differences in risk aversion and ambiguity aversion. *Journal of the European Economic Association*, 7(2-3), 649-658.
- It is a common finding in the literature that women are more risk averse than men, and this finding may also hold for certain levels of ambiguity aversion. Given that a household head is female, does this also result in more risk aversion and therefore more insurance purchase behavior against natural disasters? Or are there higher savings, or other protective measures?

Topic 4: Income and natural disaster insurance

- **Supervisor:** MSc. Philipp Decke
- **Reference paper:** Yuan, C., & Jiang, Y. (2015). Factors affecting the demand for insurance in China. *Applied Economics*, 47(45), 4855-4867.
- Generally speaking, higher income levels also lead to a higher demand for insurance. However, insurance may be essential for lower-incomes due to their incapability to deal with high-impact negative shocks, such as natural disasters. What is the current stance in different developing countries, and is insurance against different natural risks seen as standard, or something merely accessible to higher-incomes? Are there other strategies people use to mitigate risks?