



Apr 14th, 9:00 AM - 10:00 AM

Risk Management Through Derivatives Securitization

Stefan Filip, '07
Illinois Wesleyan University

Jin Park, Faculty Advisor
illinois w

Follow this and additional works at: <https://digitalcommons.iwu.edu/jwprc>

Filip, '07, Stefan and Park, Faculty Advisor, Jin, "Risk Management Through Derivatives Securitization" (2007). *John Wesley Powell Student Research Conference*. 40.
<https://digitalcommons.iwu.edu/jwprc/2007/posters/40>

This Event is protected by copyright and/or related rights. It has been brought to you by Digital Commons @ IWU with permission from the rights-holder(s). You are free to use this material in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/ or on the work itself. This material has been accepted for inclusion by faculty at Illinois Wesleyan University. For more information, please contact digitalcommons@iwu.edu.

©Copyright is owned by the author of this document.

Poster Presentation P31

RISK MANAGEMENT THROUGH DERIVATIVES SECURITIZATION

Stefan Filip and Jin Park*

Business Administration Department, Illinois Wesleyan University

With the fluctuations in the financial markets reaching tens of billions of dollars in just one day, using complex financial instruments instead of typical insurance could be more effective and cheaper to finance high-severity and low frequency risk exposures. Insurance-linked derivatives such as catastrophe bonds and weather bonds have been used for some time in the United States and European Union. The risks that they cover vary from property catastrophes, weather, general liability, and extreme mortality risks. As the number of issuers for these securities increases and new over-the-counter (OTC) products appear on the secondary markets there is a growing need to understand how they should be priced and considered by law. I intend to analyze the methods of pricing as well as creating a model for a weather derivative for the Illinois corn production and test its impact based on past statistical data.