

School trip cancellations

Work undertaken by the Government Actuary's Department (GAD) has supported parts of the education system, as the country continues to recover from the pandemic.

We have worked with the Department for Education (DfE) as it looked to help schools and academies, which are members of the [Risk Protection Arrangement \(RPA\)](#).

These educational establishments were seeking to cover losses arising from school trip cancellations due to COVID-19.

Commercial insurance alternative

The RPA is a mechanism through which the costs of risks are covered by government funds. It provides an alternative to commercial insurance for schools across England.

It includes coverage for losses arising from property damage and business interruption, employers' liability, public liability, and travel for domestic and overseas trips.

Since the start of the pandemic, most school trips were cancelled due to COVID-19 restrictions. DfE and HM Treasury decided that the RPA should continue covering losses arising from domestic and overseas travel cancellations, despite the uncertainty caused by the pandemic.

GAD's involvement

As part of ongoing analytical and strategic support for the RPA, we helped build and review a model which estimates the value of trips cancelled due to COVID-19.

The model looks at how long this period of uncertainty might be and approximates the ultimate frequency and cost of potential claims arising from travel cancellations.

The analysis included multiple scenarios which evolved as more data was acquired. The results from the model have been used to inform decisions made by senior leaders at DfE and at HM Treasury and help inform RPA's future planning.

Spending profiles

The GAD team continues to support this modelling. We are building in allowances in our regular provisioning exercise for a potential re-emergence of COVID-19 over the next couple of years. This allowance for COVID-19 re-emergence has been estimated by analysing expected spending profiles in the

future.

GAD actuary Sam Davies has been involved with the analysis. He said: “Almost three-quarters of academies in England and an increasing number of local authority schools are signing up to the RPA.

“As part of our work, we will re-examine the data and information regularly. We have built in allowances and have made bespoke adjustments to the calculations.

“This is to help the RPA get a clearer understanding of what could happen and to plan for the impact of further COVID-cancellation claims in the future.”