



Government  
Actuary's  
Department

## **We are GAD**

### **Professional, reliable and trusted**

We're financial risk professionals and modelling experts. Our skills can help government in complex areas around long-term risk and uncertainty. We apply these specialist skills in insurance, investment, modelling, quality assurance, pensions and social security.

We're proud to be accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme, a voluntary accreditation scheme which recognises organisations' commitment to quality actuarial work.

### **Insurance and risk transfer**

We provide insurance-related advice to other public sector organisations, using our experience of actuarial techniques and our knowledge of the insurance market. We have the experience and expertise to tackle challenging projects and find solutions to insurance needs that cannot be solved by the private sector alone such as nuclear risk, terrorism and flood cover.

We provide advice to clients on life, general and health insurance, as well as analysis on the impact of climate change. Projects range from the niche to the long-term.

### **How we can help you**

We have a great deal of experience across a range of insurance-related matters such as:

- valuing your department's liabilities and pricing its insurance risks
- estimating claims provisions for budgeting and accounting purposes
- pricing and reviewing guarantees and insurance arrangements
- providing advice and analysis of the effects of climate change
- advising on financial solutions for high impact, low probability events (like natural disasters)



# Case study: Helping airline passengers

## Advice and analysis on airline insolvency costs

We supplied advice and analysis as key partners in the [Airline Insolvency Review: final report](#). It looked at consumer protection in the event of an airline or travel company failure.

### Repatriation costs

GAD examined losses that occur when airlines become insolvent and assessed the cost of the different financial options. We estimated repatriation costs and looked at how much it would cost to set up a system to pay for passenger protection.

### Report conclusions

Recommendations included proposals for a Flight Protection Scheme to protect passengers. The report also proposed that airlines use their own aircraft to repatriate passengers, and called for increased awareness of safeguards which protect customers should airlines collapse.

# Case study: Saving academies money

## Estimating costs for realistic disaster scenarios

GAD advises the Department for Education (DfE) on the risk protection arrangement (RPA). This is an alternative to commercial insurance for academy trusts that covers the property and liability losses incurred by academies. GAD has helped with the RPA since its inception in 2014.

### Identifying savings

We worked with DfE and provided analytical support to:

- further improve the value for money that the arrangement offers
- better understand the risk profile and the potential costs of new areas of cover

This resulted in overseas travel and cultural assets protection being offered at no additional cost for the academies from September 2018.

### Further support

GAD provides support with pricing decisions by projecting future cash flows and estimating the range of costs for realistic disaster scenarios such as a severe UK-wide flood or a terrorist attack. This analysis contributed to a price drop per pupil from September 2019.

### Contact us

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