



Government  
Actuary's  
Department

# Department for Education Risk Protection Arrangement

Estimated provisions as at 30 June 2023

Summary of key results

31 October 2023  
Jacqui Draper

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# Contents

<b>Contents</b> .....	<b>2</b>
<b>Compliance</b> .....	<b>3</b>
Terms of reference .....	3
Distribution and limitations .....	3
<b>Background</b> .....	<b>4</b>
Introduction.....	4
Background .....	4
Considerations for this review .....	6
<b>Summary of results by academic year</b> .....	<b>7</b>
Academic year 2022/23 results .....	7
Academic year 2021/22 results .....	8
Academic year 2020/21 results .....	9
Academic year 2019/20 results .....	10
Academic year 2014/15 to 2018/19 results .....	11
Future academic year results .....	12
<b>Data, methodology and assumptions</b> .....	<b>13</b>
Data.....	13
Overview of projection methodology .....	13
Projection of exposure.....	14
Projection of claims .....	16
<b>Further considerations</b> .....	<b>19</b>
<b>Appendices</b> .....	<b>20</b>
Appendix A: Data .....	20
Appendix B: Glossary .....	22
Appendix C: Analysis of Fire claims .....	24
Appendix D: Analysis of Flood claims .....	25

# Compliance

## Terms of reference

The actuarial services provided to DfE by GAD in respect of the RPA are covered by the 'Letter of Engagement between Department for Education and the Government Actuary's Department', dated 27 June 2022. This report is a summary of the estimates of claim provisions as at 30 June 2023 from advice provided to DfE by GAD between July 2023 and October 2023.

## Distribution and limitations

Other than DfE, no person or third party is entitled to place any reliance on the contents of this report, except to any extent explicitly stated herein, and GAD has no liability to any person or third party for any act or omission taken, either in whole or part, on the basis of this report.

The data provided by DfE was used as it was received. GAD has not independently verified the data and we have relied on the general completeness and accuracy of the information supplied. Where possible, we have performed consistency and reasonableness checks using data from our previous reviews.

This report must be considered in its entirety, as individual sections, if considered in isolation, may be misleading, and conclusions reached by review of some sections on their own may be incorrect.

# Background

## Introduction

This report has been prepared by the Government Actuary's Department ('GAD') at the request of the Department for Education ('DfE').

The purpose of this report is to provide DfE with a summary for publication of the key results of the work undertaken by GAD in order to estimate claim provisions for the Risk Protection Arrangement ('RPA') as at 30 June 2023. This work was undertaken between July 2023 and October 2023. This report is based on data and the policy environment as at 30 June 2023 and makes no allowance for changes since this time.

The scope of this review includes the following estimates:

- Provisions for academic years that have commenced, from 2014/15 to 2022/23
- Provisions for future academic years yet to commence, from 2023/24 to 2027/28

Where a future year or future period is referred to, this is used to mean a year or time period that has yet to start as at 30 June 2023.

## Background

The RPA is an alternative to insurance where losses that arise are covered by UK government funds. DfE are overseeing the arrangement, with some areas supported by external advisors.

The arrangement has been operational since 1 September 2014. Originally, the RPA was only available to academy schools, but membership was widened to local authority maintained schools ('LAMS') on 1 April 2020.

For academies, participation in the RPA requires a deduction at source from the academy's general annual grant ('GAG'). This deduction is calculated on an academic year basis:

Academic Year	Per Pupil Deduction
2014/15	£25.00
2015/16	£25.00
2016/17	£20.00
2017/18	£20.00
2018/19	£20.00
2019/20	£18.00
2020/21	£18.00
2021/22	£19.00
2022/23	£21.00
2023/24	£23.00

*Exhibit 1: RPA per pupil reduction for academies by academic year*

For LAMS the deduction is calculated on a financial year basis:

Department for Education - Risk Protection Arrangement  
Estimated provisions as at 30 June 2023

Financial Year	Per Pupil Deduction
2020-21	£18.00
2021-22	£19.00
2022-23	£21.00
2023-24	£23.00

*Exhibit 2: RPA per pupil reduction for LAMS by financial year*

The RPA covers property damage and business interruption ('PDBI'), public liability ('PL'), employers' liability ('EL') and travel ('Travel'). It has covered the cost of cyber-attacks ('Cyber') from April 2022. The main limits for the RPA are the reinstatement value of the property, £10m per claim for business interruption and £2,000 per person for baggage claims relating to UK or overseas travel. There is no limit for liability claims.

GAD's previous full review of the RPA outstanding claims provisions was as at 31 August 2022. In this report we provide comparisons to the GAD provision estimates as at 31 August 2022, referring to these as the 'August 2022 review estimates'. Our estimates as at 30 June 2023 are referred to as the 'current estimates'.

The provisional estimates were analysed split by:

- Type of academy: Primary and Secondary & Other
- Main provisioning class: PDBI, PL, EL, and Travel
- Peril: The main classes are each split by multiple perils:

Property Damage and Business Interruption (PDBI)	Public Liability (PL)	Employers' Liability (EL)	Travel
Fire	Injury	Injury	Miscellaneous
Flood	Property & Other	Dispute & Other	Overseas
Theft			
Storm			
Malicious Damage			
General Damage & Other			
Cyber			

*Exhibit 3: The main classes of business and their perils*

All estimates are on an undiscounted basis, which means that the amounts stated are the amounts expected to be paid out at the time they are due, without taking into account the time value of money.

The RPA had been operational for nearly 9 years as at 30 June 2023. The number of academies and LAMS within the RPA has been increasing since it first became operational, and as at the date of our review the RPA provides coverage to:

- 8,136 academies and 3.7 million academy pupils; and
- 2,149 local authority schools and 0.7 million LAMS pupils.

Appropriate assumptions regarding future joining rates for academies and LAMS have been determined through consultation with the RPA.

There are many uncertainties associated with the estimation of provisions such as those documented within this report. As a result, the claims experience may differ materially from the estimates made. Our report represents our view of the estimated ultimate claims and does not reduce the inherent uncertainty in the outcome of future events.

## **Considerations for this review**

### **Inflation**

Price inflation has been significantly higher than normal over the last 18 months, which is expected to have had a knock-on impact on RPA claims inflation. In particular, there is evidence that the cost of property damage repairs has experienced high inflation, driven by rapid increases in the costs of raw materials and supply chain issues. This will have had a material impact on the PDBI class, which is the largest class of RPA claims.

We had previously updated our inflation assumptions for PDBI to reflect the higher inflationary environment, allowing for a short-term spike in inflation and a subsequent return to normal levels of inflation.

For this review, we have again updated our inflation assumptions for PDBI to reflect the latest economic conditions. We are assuming that at the time of this review, we have moved past the peak of the spike and that claims inflation is coming down.

### **Cyber**

Cyber cover was introduced to LAMS from April 2022 and academies from September 2022. The estimates of provisions are based partly on RPA's experience and partly based on external data. As RPA experience accumulates, we will place less reliance on this external data and eventually place full reliance on RPA data.

### **COVID-19**

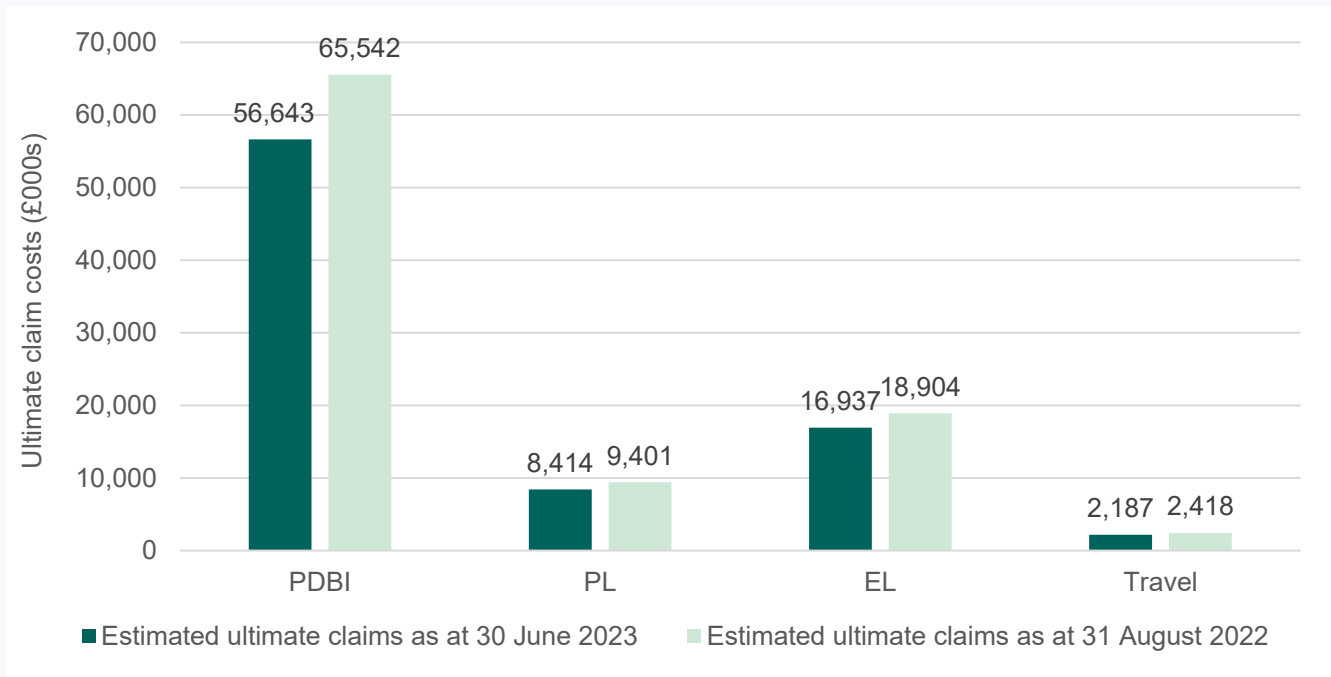
The vast majority of the RPA's direct COVID-19 claims arose from the UK and overseas Travel exposures due to school trip cancellations.

Whilst the main effects of COVID-19 are observed in the Travel classes, there is increasing evidence of savings emerging in classes such as PDBI Fire, EL Injury and PL Injury during the affected academic years 2019/20 and 2020/21. Whilst it is not possible to confirm a causal link, a significantly lower claim frequency is emerging from these years. This could have been caused by reduced time on site for both pupils and teachers, giving less scope for claims to arise. In selecting future claim frequency and severity assumptions, we have considered the weighting that should be placed on experience from these years.

# Summary of results by academic year

## Academic year 2022/23 results

The chart below shows our current estimate of ultimate claims for the 2022/23 academic year alongside the corresponding estimates from our August 2022 review. This covers the 12-month period from 1 September 2022 to 31 August 2023.



*Exhibit 4: Summary of GAD academic year 2022/23 ultimate claims estimates by class (£000s)*

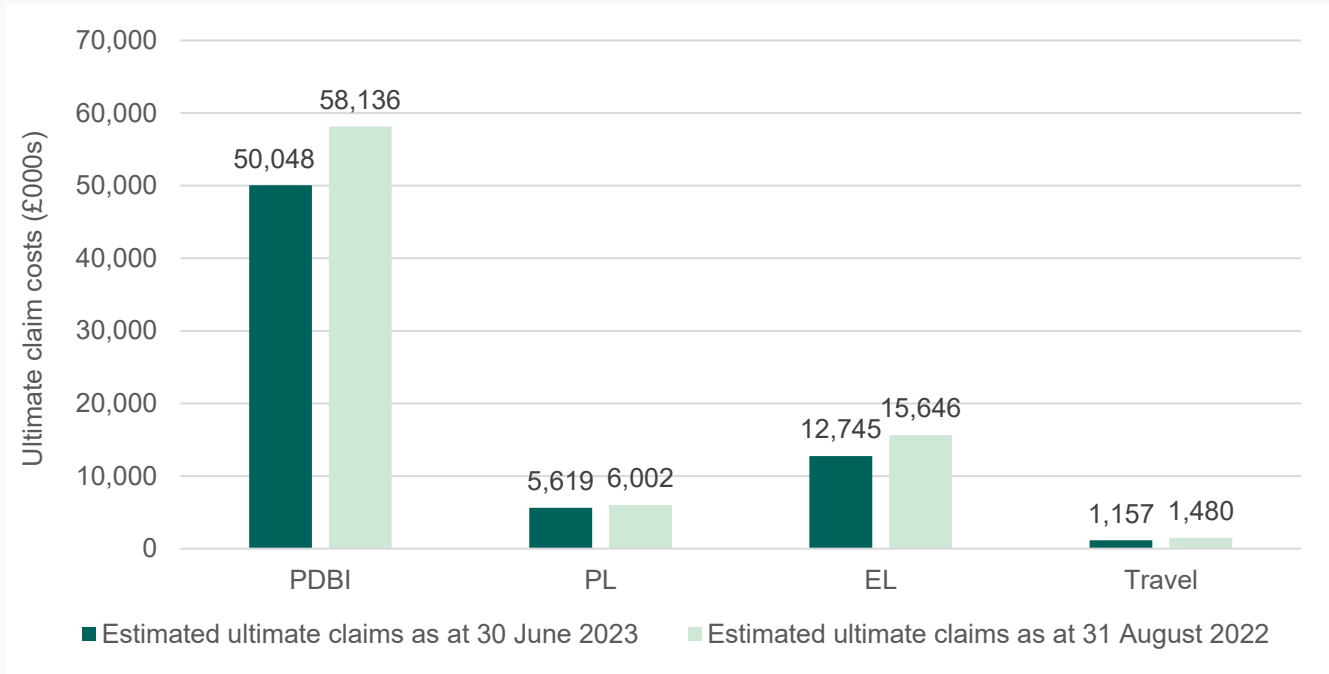
Our current ultimate claims estimate for the 2022/23 academic year is £84.2m. This is £12.1m lower than the August 2022 review estimate which was £96.3m.

The movements by class:

- PDBI improved by £8.9m
- PL improved by £1.0m
- EL improved by £2.0m
- Travel improved by £0.2m

## Academic year 2021/22 results

The chart below shows our current estimate of ultimate claims for the 2021/22 academic year alongside the corresponding estimates from our August 2022 review. This covers the 12-month period from 1 September 2021 to 31 August 2022.



*Exhibit 5: Summary of GAD academic year 2021/22 ultimate claims estimates by class (£000s)*

Our current ultimate claims estimate for the 2021/22 academic year is £69.6m. This is £11.7m lower than the August 2022 review estimate which was £81.3m.

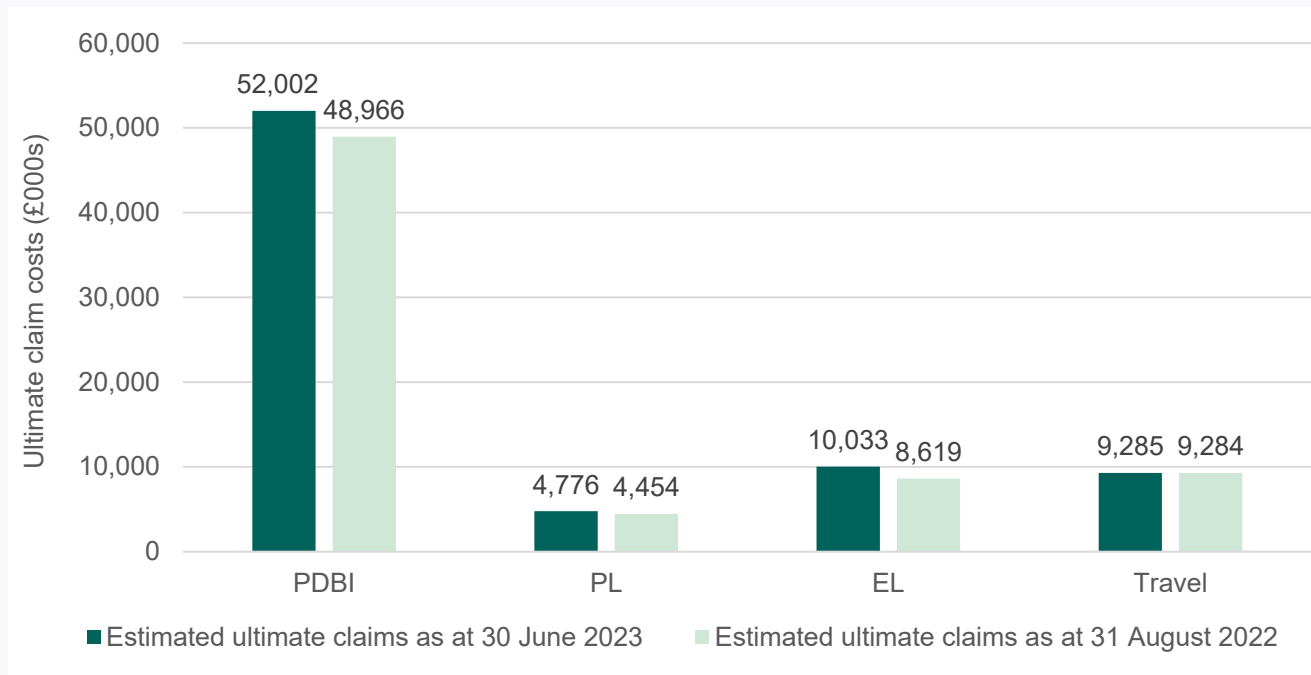
The movements by class:

- PDBI improved by £8.1m
- PL improved by £0.4m
- EL improved by £2.9m
- Travel improved by £0.3m



## Academic year 2020/21 results

The chart below shows our current estimate of ultimate claims for the 2020/21 academic year alongside the corresponding estimates from our August 2022 review. This covers the 12-month period from 1 September 2020 to 31 August 2021.



*Exhibit 6: Summary of GAD academic year 2020/21 ultimate claims estimates by class (£000s)*

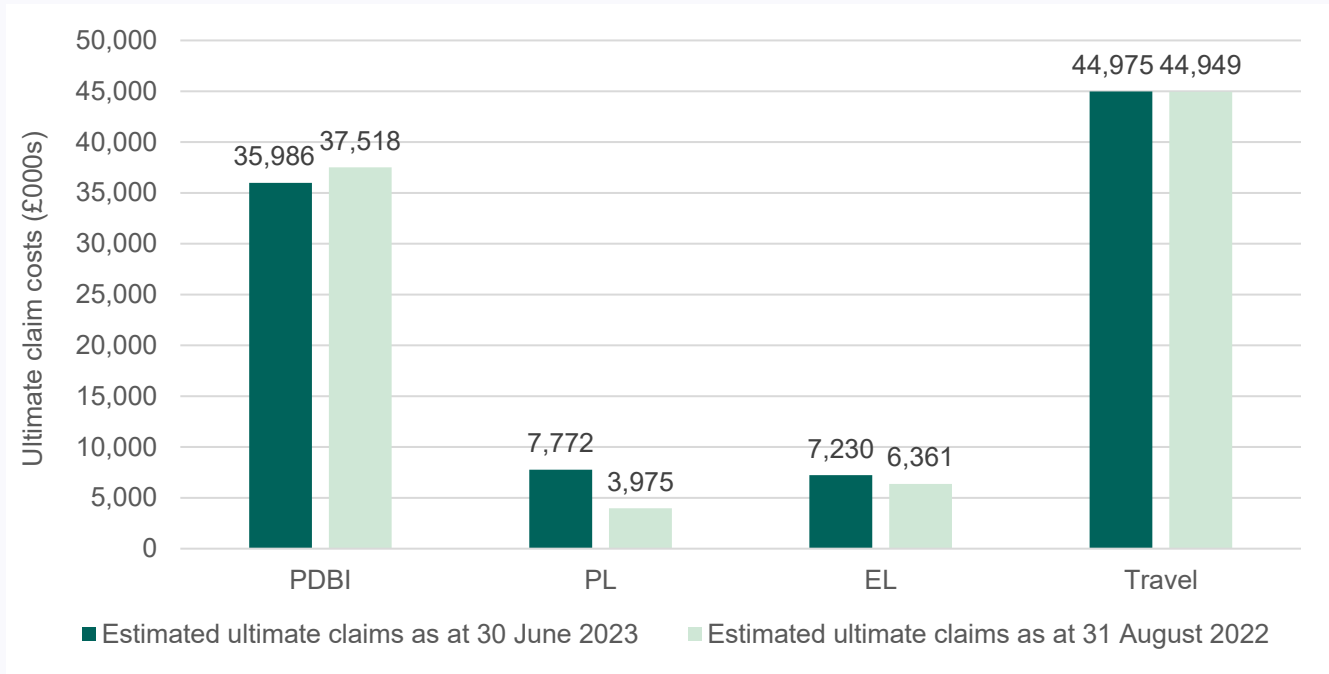
Our current ultimate claims estimate for the 2020/21 academic year is £76.1m. This is £4.8m higher than the August 2022 review estimate which was £71.3m.

The movements by class:

- PDBI deteriorated by £3.0m
- PL deteriorated by £0.3m
- EL deteriorated by £1.4m
- Travel is virtually unchanged

## Academic year 2019/20 results

The chart below shows our current estimate of ultimate claims for the 2019/20 academic year alongside the corresponding estimates from our August 2022 review. This covers the 12-month period from 1 September 2019 to 31 August 2020.



*Exhibit 7: Summary of GAD academic year 2019/20 ultimate claims estimates by class (£000s)*

Our current ultimate claims estimate for the 2019/20 academic year is £96.0m. This is £3.2m higher than the August 2022 review estimate which was £92.8m.

The movements by class:

- PDBI improved by £1.5m
- PL deteriorated by £3.8m
- EL deteriorated by £0.9m
- Travel is virtually unchanged

## Academic year 2014/15 to 2018/19 results

The chart below shows our current estimate of ultimate claims combined over the academic years 2014/15 to 2018/19 alongside the corresponding estimates from our August 2022 review. This covers the 5-year period from 1 September 2014 to 31 August 2019.

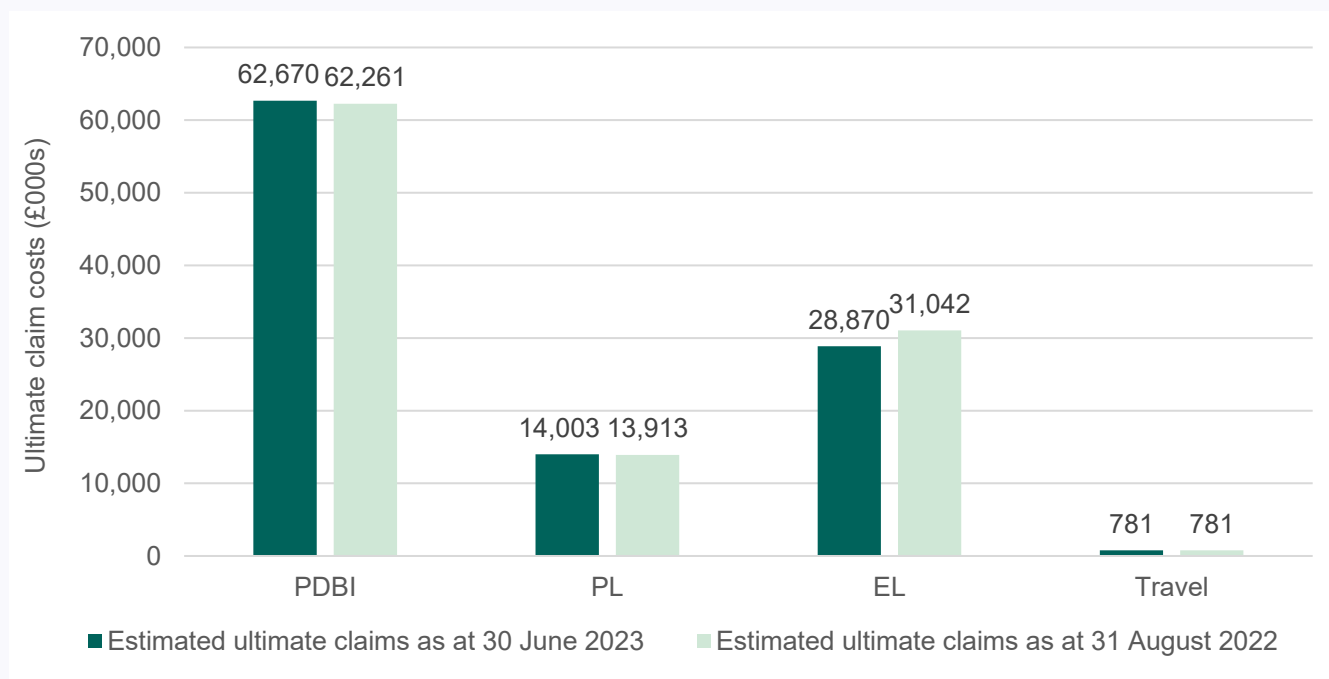


Exhibit 8: Summary of GAD academic years 2014/15 to 2018/19 ultimate claims estimates by class (£000s)

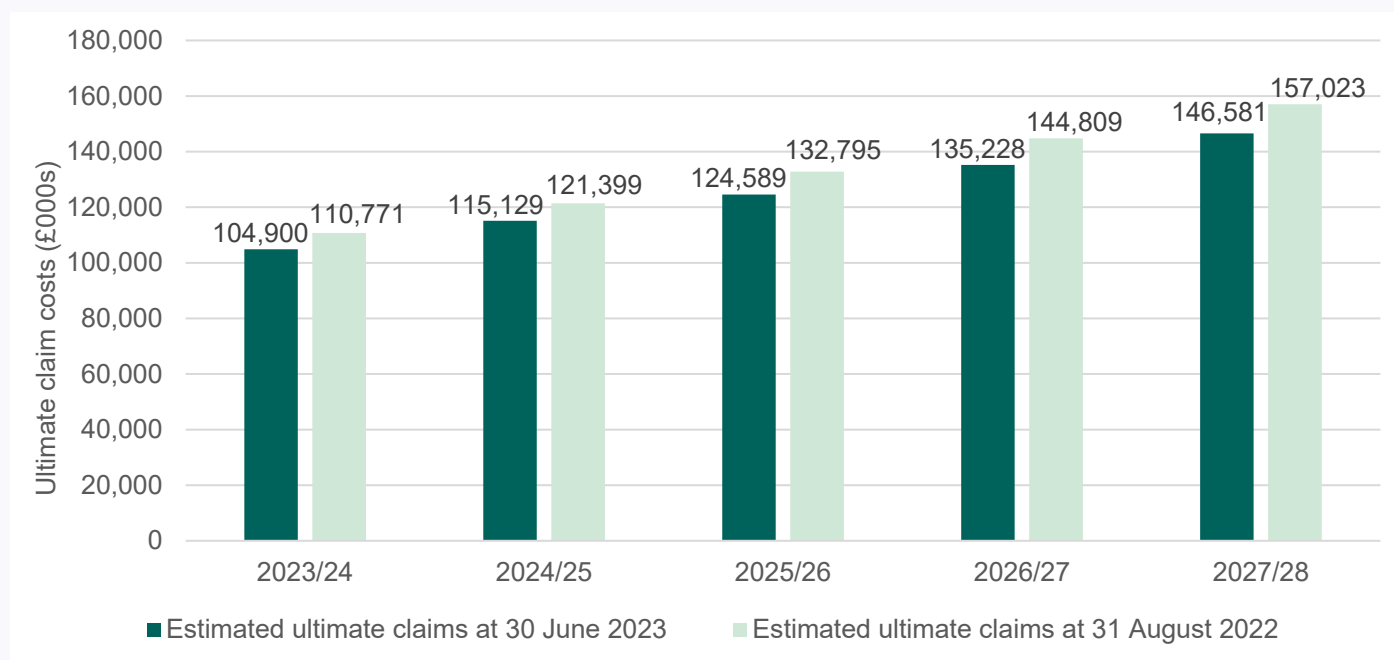
Our current ultimate claims estimate for the period is £106.3m. This is £1.7m lower than the August 2022 review estimate which was £108.0m.

The movements by class:

- PDBI deteriorated by £0.4m
- PL deteriorated by £0.1m
- EL improved by £2.2m
- Travel is unchanged

## Future academic year results

The chart below shows our current estimate of ultimate claims for each of the 2023/24 to 2027/28 academic years alongside the corresponding estimates from our August 2022 review.



*Exhibit 9: Summary of GAD future academic year ultimate claims estimates (£000s)*

Our current ultimate claims estimate for academic year 2023/24 is £5.9m, or 5%, lower than the August 2022 review estimate. At the far end of the projection for academic year 2027/28, the current estimate of ultimate claims is £10.4m, or 7%, lower than the August 2022 review estimate.

Note that the ultimate claims estimates for future years is directly proportional to the estimates of exposure in pupil years. As discussed in the next section, the estimated exposure for academic year 2023/24 has decreased by 3% compared to the August 2022 review estimate. This has contributed to the 5% decrease in ultimate claims.

Another driver of the decrease in estimated ultimate claims is the lower claims inflation assumptions for the PDBI class compared to the assumptions for the August 2022 review.

# Data, methodology and assumptions

This section describes the data, methodology and assumptions that we have used to perform our independent analysis of the RPA's outstanding claims provisions.

There is inherent uncertainty in an analysis of this type, and we highlight the key uncertainties throughout this report. Our analysis does not remove this uncertainty but will provide DfE with more insight into the assumptions used and judgments made.

## Data

Our analysis is supported by the following information and data:

- Claims data tables as at each month end from 30 September 2014 to 30 June 2023, which are provided by the RPA claim handler
- Additional claims data table as at 31 July 2023, which was used to assess any material movements in individual claims since 30 June 2023
- RPA membership data as at July 2023
- DfE forecasts of future academy numbers as at July 2023.

We have not verified the accuracy of the data independently. We have compared the academy projections and RPA membership data to that previously received for consistency and reasonableness.

Please see Appendix A: Data for more detail on the data provided.

## Overview of projection methodology

To project the expected losses, we first estimated the exposure, by estimating how many pupils will be covered by the RPA at each academic year within the scope of our review. We then used this exposure estimate to inform our claims estimates, using various methods as detailed below, and selected a method or an average of methods for each class.

## Projection of exposure

To estimate the number of pupils within the RPA for future risk periods we first estimate the number of academies and LAMS within the RPA and then make further assumptions about the average number of pupils within each school type.

We then convert these pupil numbers into pupil years of exposure for each academic year by accumulating the time on risk for each school within each year. For example, a school that joins the RPA at the start of August will be on risk for that academic year for one month, so will contribute one twelfth of a year of exposure.

### Academies

#### Projection of academies within the RPA

Using DfE's own estimates of future academy numbers, we derived assumptions of the number of new and existing academies joining the RPA per month. These assumptions, which are listed below, are based on the RPA's actual experience:

- 72% of new academies join the RPA
- 15.2% of existing academies not within the RPA will join each year
- 0.5% of academies within the RPA will opt out for an alternative arrangement each year

For the second and third assumptions above, we take into account seasonal effects such as uptake being higher at the start of the academic year.

We also assume that the new academies joining the RPA will mirror the assumed school type split which is used within the DfE academy population projections.

#### Projection of academy pupils within the RPA

We multiply the total estimated number of academies joining the RPA by the assumed average number of pupils for each school type. This is added to the number of academy pupils that are already members of the RPA to get an expected number of pupils for each school type for each future month until the end of the 2027/28 academic year.

### LAMS

#### Projection of LAMS within the RPA

We use a methodology to project the number of LAMS within the RPA that is broadly consistent with that used to project the number of academies. This means we make assumptions about the population of LAMS as a whole rather than assumptions about local authorities individually. These assumptions, which are listed below, are based on the RPA's actual experience:

- 4.4% of LAMS not within the RPA will join each year
- 0.5% of LAMS within the RPA will opt out for an alternative arrangement each year

- 4.7% of LAMS within the RPA will convert to an academy each year (and modelled as a new academy)

Like with academies, we take into account seasonal effects such as uptake being higher at the start of the financial year.

We also assume that new LAMS joining the RPA will mirror the assumed school type split among the LAMS population.

### Projection of LAMS pupils within the RPA

We multiply the total estimated number of LAMS within the RPA by the assumed average number of pupils for each school type (primary or secondary & other) and for each future academic year.

The assumed average number of pupils for each school type has been calculated according to data from the Get Information about Schools<sup>1</sup> database. LAMS joining the RPA are assumed to have pupil numbers equal to the average LAMS in England of that type.

### Overall exposure

The chart below shows the current estimated exposure in pupil years, combined across both academies and LAMS, for each past and future risk period alongside the corresponding estimates from our August 2022 review.

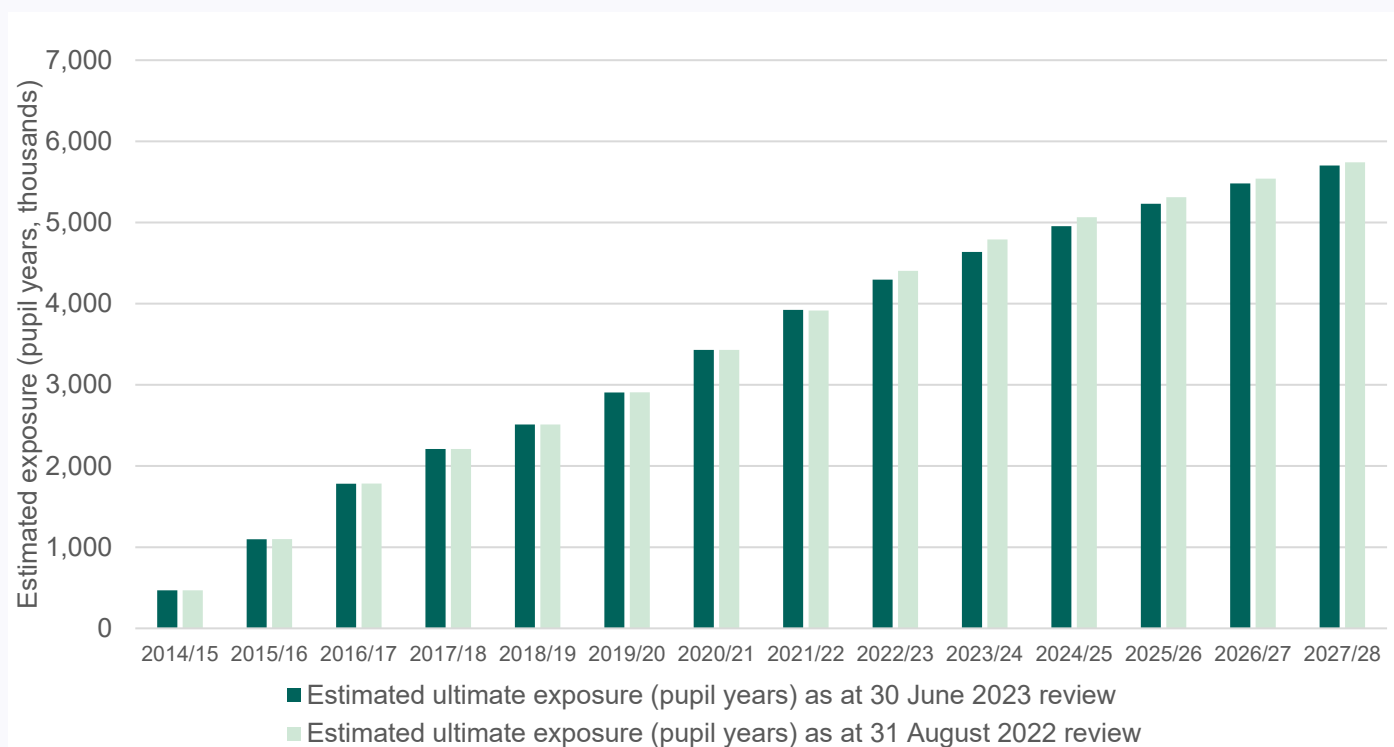


Exhibit 10: Summary of GAD ultimate exposure in pupil years (pupil years shown in 1,000s)

There are small movements to the estimates for past years due to retrospective changes in the underlying RPA membership data (for example, updates of pupil numbers). These do not have a material impact on results.

<sup>1</sup> [Get Information about Schools - GOV.UK \(get-information-schools.service.gov.uk\)](https://get-information-schools.service.gov.uk)

The number of schools that have joined the RPA since the August 2022 review has been lower than expected. Consequently, the current exposure estimates for academic year 2022/23 and future years has decreased. For academic year 2023/24, the estimated exposure has decreased by 3%.

## Projection of claims

For each claim type, we make an estimate of the ultimate claims, i.e. the total final amount that will be paid for claims originating in a given academic year. As there are often delays before a claim is reported or settled, claims are often paid in the years after the one in which the claim event occurred.

### Past academic years and current academic year

To estimate the ultimate claims, we combine the current value of claims that have been reported as at 30 June 2023 (known as the reported claims) with an estimate of future claims for incidents that occur during the academic year. The future claims include:

- Claims that have happened but have yet to be reported to the RPA's claims administrators (known as 'incurred but not reported' or IBNR). IBNR could occur, for example, if a child has an accident but the parent delays reporting this to the school (perhaps because they didn't realise that they would have grounds for a claim).
- Claims that have happened but not enough has been reported, which are known as 'incurred but not enough reported' or IBNER. IBNER could occur, for example, if a fire claim is reported and a standard initial loss estimate is recorded against the claim but then, following a more detailed assessment of the fire damage by a loss adjustor in the future, the expected cost of the claim is increased.
- Claims that will arise from unexpired periods of coverage. At the time of this review at 30 June 2023 there are still two months of future coverage for the latest academic year.

One of the techniques we have used to estimate ultimate claims is to project forward each academic year using the patterns shown in the figures below. These show the expected reported claim amounts and reported claim numbers as a proportion of their ultimate position for an average academic year, during each year following the initial academic year period. Note that we expect longer delays until claims are paid than for claims to be reported.



Department for Education - Risk Protection Arrangement  
 Estimated provisions as at 30 June 2023

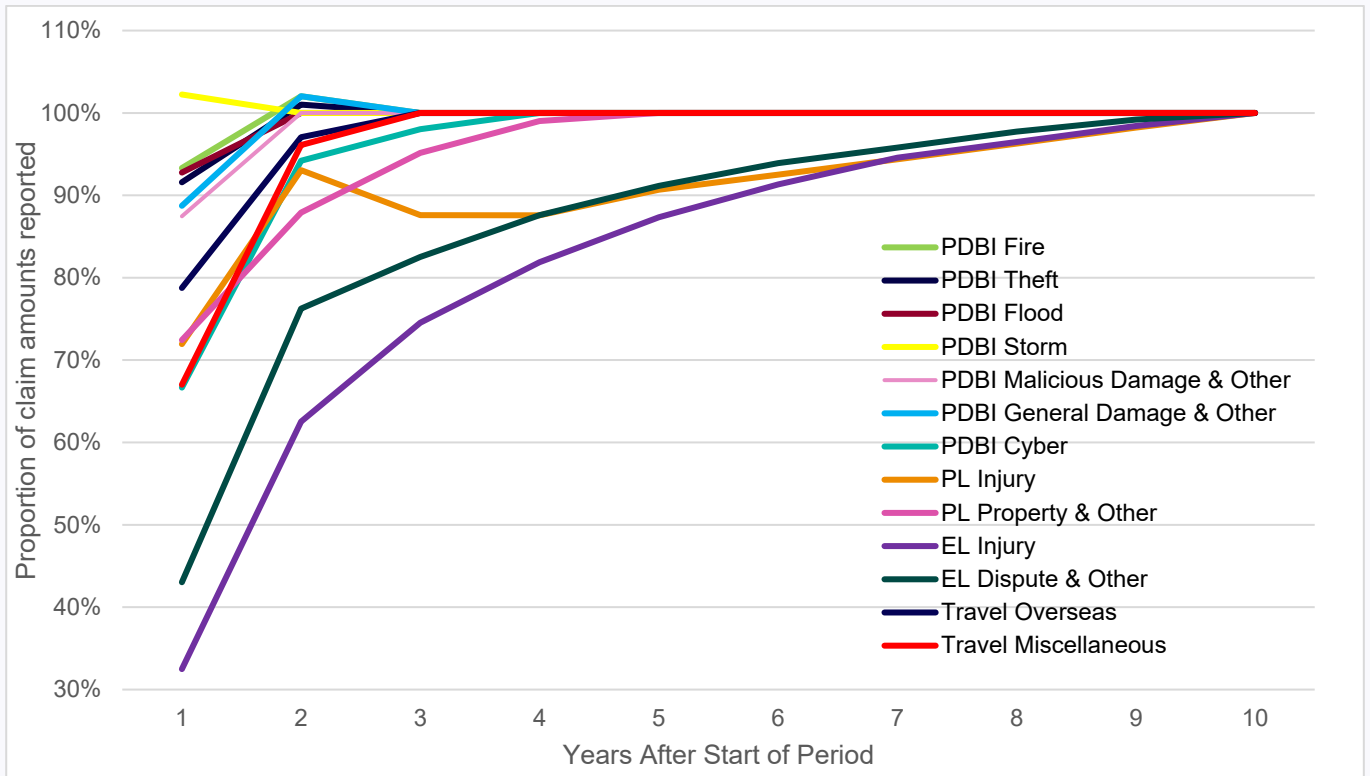


Exhibit 11: Claim amounts reported cumulative development patterns for each provisioning class

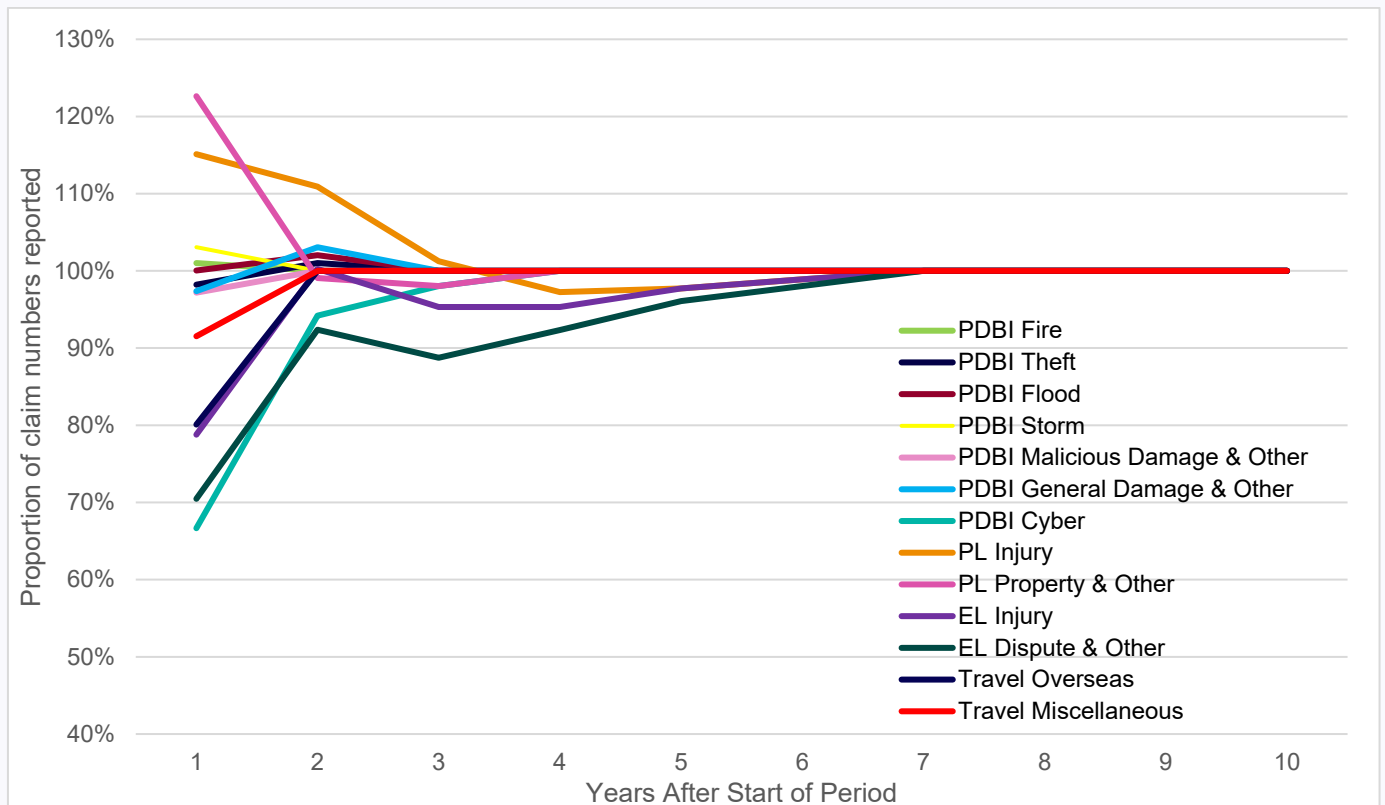


Exhibit 12: Claim numbers reported cumulative development patterns for each provisioning class

We expect that claims from PDBI and Travel classes to develop the fastest with the least uncertainty in their value. The liability classes (EL and PL) take longer to emerge as there is a significant component of personal injury claims which generally take longer to settle.

We considered the results from several methods when selecting estimates for the ultimate number of claims and the ultimate claim amounts for each peril.

We also project the expenses associated with the claims. These expenses are claims expenses related to individual claims such as claims handling and loss adjustor fees. Any expense figures within this report do not include any further costs that DfE incur in the operation of the RPA, such as staff and consultancy costs.

### Future academic years

Our view of future costs is based on estimates of claim frequency and average claim severity for each of the different types of cover offered by the RPA. These estimates are based upon the RPA's historical experience for each type of cover. The frequency assumptions are the same for all future academic years, whilst the severity assumptions are increased to allow for inflation.

## Further considerations

This section outlines further considerations that DfE should bear in mind when examining the results in this report.

The insurance market would offer different premium rates to each school based on their risk profile and claims history. The RPA will therefore vary in the amount of value that each school receives from it, which may make it more likely that those schools currently paying high insurance premiums will join, which is a form of selection against the RPA (known as anti-selection). This would create a risk profile that may not be in line with the claims data.

The actuarial analysis undertaken for the arrangement does not include a specific consideration of latent claims. These are claims of a type that was not anticipated at the time that cover was provided, though these claims would be funded by DfE if they were to arise in the future. This represents a source of uncertainty in the level of future claims.

A Periodical Payment Order ('PPO') is an alternative way of settling significant personal injury claims. Rather than settling the claim as a lump sum amount, extinguishing any future requirements to compensate the injured party, a PPO requires regular payments to be made to the claimant for the rest of their life. The RPA is exposed to PPOs through the EL and PL Injury covers and could arise as a result of a claim by a teacher, pupil or other third party who is badly injured as a result of a school's negligence. Our provisioning methodology makes the following allowances for PPOs:

- Should a PPO arise from a known event, or if the claims handler believes there is a non-negligible chance that a PPO will arise, we will work with the claim handler to ensure the provisions appropriately reflect the likely costs.
- For unexpired and future periods of risk from the EL and PL Injury classes, we make an allowance for attritional, large and catastrophic injuries to occur. Our considerations of what a large and catastrophic claim might cost take into account the potential for PPO claims to be awarded.

In DfE's accounts, provisions, contingent assets and contingent liabilities are considered in accordance with International Accounting Standard 37 (IAS 37). Under IAS 37 future payments for claims made to the RPA will require a provision to be held by DfE. DfE utilise this provision as claims are reported and allocate budget at this point. DfE will therefore have to ensure that funds are available when needed.

Since April 2020 the RPA has provided cover to LAMS in addition to academies. We currently assume that the risk profiles of LAMS and academies are not materially different and this is supported by reviews of RPA claim experience.

# Appendices

## Appendix A: Data

### Exposure

We were provided with the following data from DfE concerning the exposure of the RPA:

- List of academies and LAMS that have ever been a member of the RPA as at 30 June 2023, split by type (Primary, Secondary, All Through and Special)
- Actual number of pupils in each of these schools for each past academic year while a member of the RPA
- Schools where there is information to suggest they may join, or leave, the RPA in the future, alongside an expected opt-in date, or opt-out date
- Projected number of academies in the UK up to financial year 2030-31.

### Claims data

We were provided with the following data, as at the month ends from inception of the RPA in September 2014 to 30 June 2023 inclusive for each claim that had been reported by that date:

- Paid loss amount (excluding claims expenses)
- Outstanding loss amount (which represents the Gallagher Bassett or TopMark loss estimate (excluding claims expenses) that has yet to be paid)
- Paid claim expense amount
- Outstanding claim expense amount (which represents the Gallagher Bassett or TopMark expense estimate that has yet to be paid)
- Accident date
- Date first reported
- Date closed (if the claim has closed)
- Storm name (if applicable).

We understand the claims expense amounts to include claims handling and loss adjustor fees. Any expense figures within this report do not include any further expenses that DfE incur in the operation of the RPA, such as staff and consultancy costs.

A nil claim is defined as a claim that has closed, but where the paid loss and outstanding loss are zero. These claims are excluded from the claim number triangle only from the point at which they close as a nil claim.

## Data detail

We have grouped the data by each major class of business and peril separately. This creates 13 different provisioning classes (listed earlier in Exhibit 3).

Each of the 13 provisioning classes is then further divided into attritional, large and catastrophic claim types. This creates 39 provisioning groups.

We also divide provisioning groups into Primary and Secondary & Other school types (where Secondary & Other includes Secondary, All Through and Special school types). This creates 78 unique provisioning groups, and this is the level at which outstanding claims provisions are set.

The number of groups used must be balanced against the volume of data available, as each group must have sufficient data to achieve a robust statistical measure. This consideration, along with the requirements of DfE, led to the choice of the segmentation outlined above.

As the RPA has only been operating for a short period of time there is limited claims data in some of these provisioning groups. Where this is the case, there may be a lack of statistical credibility which has been borne in mind.

## Appendix B: Glossary

**Expired exposure** - The exposure corresponding to the expired risk period.

**Expired risk period** - The risk period for which, up to a certain date, RPA policies have been in force.

**Exposure** - A measure that represents the risk. Possibilities for the RPA are the number of academies and number of pupils. Pupil numbers were chosen since these give an indication of the size of the academies within the RPA, which will affect the risk. The exposure is measured in 'pupil years' such that the duration that pupils have been covered by the RPA is taken into account.

**Future claim amounts** - This is all claims estimated to be reported and ultimately paid in the future relating to exposure within a given academic or financial year. For a given year this estimate is the sum of the IBNER, IBNR and estimated ultimate claims for the unexpired risk period.

**Future claim numbers** - This is all claims estimated to be reported and ultimately settled in the future relating to exposure within a given academic or financial year. For a given year this estimate is the sum of the IBNR numbers and estimated ultimate claim numbers for the unexpired risk period.

**Government Actuary's Department ('GAD')** - A non-ministerial government department providing actuarial advice to public sector clients. For more information see [www.gov.uk/gad](http://www.gov.uk/gad).

**IBNER** - For the RPA, exposure is considered in academic years running from September to August. At the end of each exposure year there will still be outstanding claim amounts that have not yet been reported, relating to that period. These amounts that are expected to arise in future are referred to as incurred but not enough reported ('IBNER') claims.

**IBNR** - For the RPA, exposure is considered in academic years running from September to August. At the end of each exposure year there will still be claims that have not yet been reported, relating to that period. These amounts that are expected to arise in future are referred to as incurred but not reported ('IBNR') claims. Often IBNR is used to refer to both 'pure IBNR' (as per the definition above) and IBNER combined, however in this report we refer to IBNR to just mean the pure IBNR, excluding IBNER. IBNR numbers are the number of claims that have incurred but have yet to be reported.

**Latent claims** - These are claims of a type that was not anticipated at the time that cover was provided.

**Peril** - The specific source of loss to the risk pool. Examples include fire, theft and injury.

**Personal injury** - Legal term for injury to body, mind or emotions.

**Reported claims** - For a given academic year, the reported claims at a certain point in time is the total amount that the claim handlers estimate the claims that have been notified to date to ultimately cost, where these claims originate in the given academic year.

**Risk period** - The time for which the expectation is to have RPA policies in force.

**Triangle or Claims triangle** - Manipulating data into a triangle format is a way of presenting the data to aid analysis of the development of the data over time. Triangles are made of reported claims, paid claims, claim numbers and average claim cost. Going across in the triangle is the

development period, for example claims reported month. Going down is the origin period, for example the academic month that the incident occurred. Each row then shows all claims where the incident occurred during the same time period and going right in the row shows how the claim amount or number changes over time since the incident period.

**Ultimate claims** - The total final amount that will be paid for claims originating from a given academic or financial year. This is the aggregate of claims that have been reported and estimated future claim amounts.

**Unexpired exposure** - The exposure corresponding to the unexpired risk period.

**Unexpired risk period** - The remaining risk period for an academic/financial year for which, as at a certain date, RPA policies are expected to be in force.

## Appendix C: Analysis of Fire claims

The RPA provides property damage and business interruption cover that responds to fire losses. This section provides more information on the RPA's claims experience in relation to these losses.

The following table shows the number of individual members in the RPA, the number that have experienced a fire-related event, and the average cost of a fire-related event. This information is shown for the historical academic years where fire loss experience is considered to be mature and where no material updates are expected.

Academic year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RPA member schools	949	2,204	3,699	4,747	5,516	6,460	7,772	9,141	10,041
Members who experienced a fire-related event	12	15	36	36	47	40	26	47	45
Average cost of fire event (£)	£14,280	£243,710	£77,462	£87,227	£74,962	£78,926	£437,155	£341,282	£197,903

*Exhibit 13: Analysis of fire-related events*

The high average cost in some years is a result of a small number of larger claims.

### Notes on construction

A fire-related event is one where the claims handler has recorded the main cause of loss to be fire and this has resulted in damage to the fabric of a school building, contents owned by the school, or has caused the school to incur additional costs associated with finding alternative accommodation. This definition excludes a small number of claims where fire has been the cause of other types of loss (for example damage to the property of third parties).

The number of RPA members is measured as the average over the academic year.

The number of members who have experienced a fire-related event is calculated as any member that recorded at least one fire loss that was greater than zero. If a member experienced more than one claim, they are only included once. Nil claims, i.e. claims that resulted in no cost to the RPA, have been excluded.

The average cost of a fire-related event is taken as the sum of reported fire-related claims divided by the number of non-nil claims in a given academic year.



## Appendix D: Analysis of Flood claims

The RPA provides property damage and business interruption cover that responds to flood losses. This section provides more information on the RPA's claims experience in relation to these losses.

The following table shows the number of individual members in the RPA, the number that have experienced a flood-related event, and the average cost of a flood-related event. This information is shown for the historical academic years where flood loss experience is considered to be mature and where no material updates are expected.

Academic year	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
RPA member schools	949	2,204	3,699	4,747	5,516	6,460	7,772	9,141	10,041
Members who experienced a flood-related event	25	67	55	65	15	12	54	32	9
Average cost of flood event (£)	£12,526	£45,920	£15,495	£27,771	£31,291	£670,129	£233,084	£131,352	£57,607

*Exhibit 14: Analysis of flood-related events*

The high average cost in some years is a result of a small number of larger claims.

### Notes on construction

A flood-related event is one where the claims handler has recorded the main cause of loss to be flood and this has resulted in damage to the fabric of a school building, contents owned by the school, or has caused the school to incur additional costs associated with finding alternative accommodation. This definition excludes a small number of claims where flood has been the cause of other types of loss (for example damage to the property of third parties).

This definition also excludes 'escape of water' claims where damage to water pipes (or other similar infrastructure) results in water damage to contents and property.

The number of RPA members is measured as the average over the academic year.

The number of members who have experienced a flood-related event is calculated as any member that recorded at least one flood loss that was greater than zero. If a member experienced more than one claim, they are only included once. Nil claims, i.e. claims that resulted in no cost the RPA, have been excluded.

The average cost of a flood-related event is taken as the sum of reported flood-related claims divided by the number of non-nil claims in a given academic year.