

Peru Public Schools

Summary

Objective of the study:

- To identify necessary additional project stakeholders;
- To identify the necessary activities, milestones, outputs and outcomes for the four components;
- To enable the project team to define and plan the necessary resources in terms of expertise, time and money and the best owner for the respective activities.
- To achieve a “target picture” for a future insurance scheme for Peru’s public schools, its insurance solution, its legal and technical set-up, its critical stakeholders and its budget needs.

Main results:

- **Political feasibility:** Both the MINEDU and MoF are interested in the project; also a budget source/ line in Peru’s National Budget exists under which the premium could be funded.
 - Public sector procurement procedures generally led to slow rehabilitation and reconstruction after natural disasters in the past, but there is a precedent when these were simplified to improve speed of reconstruction.
 - Both the local regulator and insurance companies are supportive of the project.
- **Legal/ regulatory feasibility:** Coinsurance is allowed in Peru, while the local regulator sees competition as a key priority; does not want to see the formation of a formal/ legal pool.
 - There is a precedent of the creation of centralized operational unit created to handle premiums, claims and establishment of reserves for insurers participating together in one programme.
- **Technical feasibility:** MINEDU has improved of the yearly school census which now provides more valuable information and govt is willing to sharing this info.
 - There are risk-literate public entities conducting risk evaluation which we can work with and which would be able to use the open-source risk models the project will make available.
 - PICTURE’s technology to evaluate school buildings with image recognition technologies & it is feasible to develop a smart phone application for the exposure assessment as well as for the claims assessment.
 - Peru is already building back in better quality when reconstructing schools.
 - CAT modeling analysis will be key to determine pricing both for indemnity and parametric.

Project	Peru Public Schools
Partners	Apeseg (Peru’s assoc. of insurers, mandated by the Govt.); AXA XL; GEM; JBA; Munich Re; PICTURE.
Region	Latin America - Peru
Main risks	Changes in govt. delaying the project
Policy holder	<u>Ministry of Education (MINEDU) – or Ministry of Economy & Finance (MoF), TBC</u>
Insured assets	<u>All or a selection of Peru’s ~50’000 public schools</u>

