



# PERU

## INSURANCE FOR PUBLIC SCHOOLS IN PERU (COLEGIOS PÚBLICOS EN EL PERÚ)



Peru is highly exposed to multiple natural and climate change perils. Insurance penetration remains low, while land use planning and post-disaster reconstruction are often slow or inefficient. For instance, after 5 years, most of the public infrastructure damaged during the El Niño Costero in 2017 has not yet been rebuilt. The project thus aims to enhance the resilience of public school infrastructure in Peru against major climate and natural disaster risks by introducing a national insurance solution. In this context, insurance represents a facilitator for a comprehensive risk management programme for public schools, including an ex-ante defined financing and reconstruction process. The project may serve as an example for other public assets like hospitals, bridges, and roads in the future.



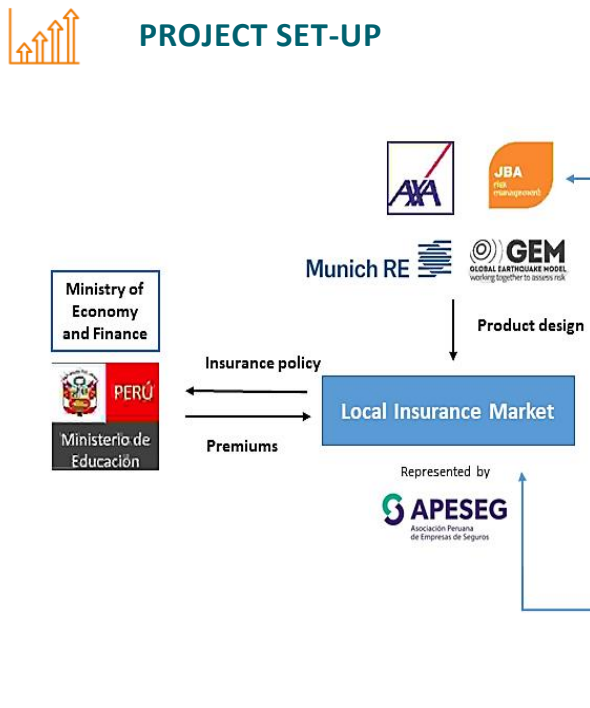
### PRODUCT CHARACTERISTICS

Target group	School staff and pupils of public schools and their parents
Target region	Countrywide starting in Lima
Insured asset	Public school buildings
Insured peril/ hazard	Multi risk cover, including flood, heavy rain, earthquake, tsunami, etc.
Insurance type	Macro-scheme Development of sovereign insurance programme
Own contribution	50 % (of total ISF project costs)



### PRODUCT DEVELOPMENT ACTIVITIES SUPPORTED

- Systematic detection and categorisation of the building stock of public schools by developing a mobile app to collect relevant data suitable for risk modelling
- Development of an efficient claims handling process by using artificial intelligence software solutions
- Improvement of the repair- and reconstruction management process
- Organisation of the institutional set-up of the insurance scheme for public schools







### PROJECT PARTNERS

**Demand Side**

**Supply Side**

- Asociación Peruana de Empresas de Seguros (Apeseg), Peru / Association of insurance companies
- XL Services Switzerland Limited (AXA XL), Switzerland / (Re-)Insurance company
- Munich Re Service GmbH, Germany / Reinsurance company
- JBA Risk Management Pte. Limited, UK / Catastrophic risk modeller
- Fondazione GEM, UK / Catastrophic risk modeller
- Picsure, Germany / InsurTech

 <b>EXPECTED IMPACT</b>	<ul style="list-style-type: none"> <li>• Improved understanding and risk management for public schools with respect to natural disasters through open-source access to the project's risk models and capacity training for the Government.</li> <li>• Expedited repair and reconstruction of public schools.</li> <li>• Contribute to educational continuity through a parametric solution to cover temporal schools while reconstruction is being done.</li> <li>• Raised awareness of the Peruvian Government of the sometimes critical situation of the schools, providing training and technical support and showing all the possible solutions and respective costs.</li> <li>• Increased prevention and mitigation measures to lessen the damage from future disasters</li> <li>• Greater resilience through improved building quality over time.</li> <li>• Deepening local insurance market by establishing what is expected to be the country's largest property insurance programme.</li> <li>• Reduced impact of natural disasters on the sovereign credit risk and fiscal contingencies.</li> </ul>
 <b>EXPECTED BENEFICIARIES<sup>1</sup></b>	3.3 – 4.6 m by 2025 (100 % poor and vulnerable)
 <b>IMPLEMENTATION PERIOD</b>	10/09/2020 – 09/10/2022