Financing Infrastructure Through Resilience Bonds

Ellory Monks
Partner, re:focus partners & co-founder, The Atlas Marketplace

Mayors Innovation Project
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Designing & Financing for Resilience

Image credit: Instagram (paulphootrakul)

Lucy Nicholson / Reuters

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Infrastructure as Financial Risk Reduction

Hoboken, NJ: Stormwater Storage + Parking + Green Infrastructure
Leveraging Private Finance for Resilience

– The Challenge: Funding Resilient Infrastructure
  • Public resources for infrastructure are limited
  • Benefits are diffuse & rarely linked to revenues
  • Success is often something that didn’t happen

– The Opportunity: Resilience Bonds
  • Resilience Bonds can help close the loop
  • Create virtuous cycle of risk reduction investments
How Resilience Bonds Work

- Resilience Project
  - Project Funding
  - Project Benefits
- Policy Holder
  - Avoided Losses
- Cat Coverage
  - Insurance Policy
- Catastrophe Bond Investors
How Resilience Bonds Work

- **Resilience Project**
  - Project Funding
  - Project Benefits
  - Avoided Losses
  - Reduced Premiums
  - Reduced Risk to Principal

- **Policy Holder**
  - Insurance Policy

- **Cat Coverage**
  - Property Insurance Co.

- **Investors**
Benefits of Resilience Bonds

1. Fill Project Funding Gaps
   - Rebates can fund future phases of projects
   - Savings can cover O&M costs or addt’l insurance

2. Help Meet Insurance Compliance Obligations
   - Existing federal disaster assistance requirements
   - Potential new req’s (i.e. FEMA Disaster Deductible)

3. Ensure Project Design Integrity
   - Set design standards linked to risk reduction value
   - Avoid value-engineering out key benefits

Step 1 = Identify Resilience Project
The Atlas is an online marketplace for modern infrastructure solutions that helps cities improve project selection and streamline procurement.

Create a free profile at www.the-atlas.com to take advantage of these features as you upgrade your infrastructure.
Is a Resilience Bond right for you?

1. Create a free profile on the Atlas to identify resilience project
2. Talk to your Financial Advisor/Insurance Broker
3. Follow-up to discuss:
   • Resilience & Insurance Priorities
   • Modeling Risk Reductions
   • Bond Design and Structuring Process

For more information:
• Create a free profile at www.the-atlas.com
• Read the RE.bound Report at www.refocuspartners.com