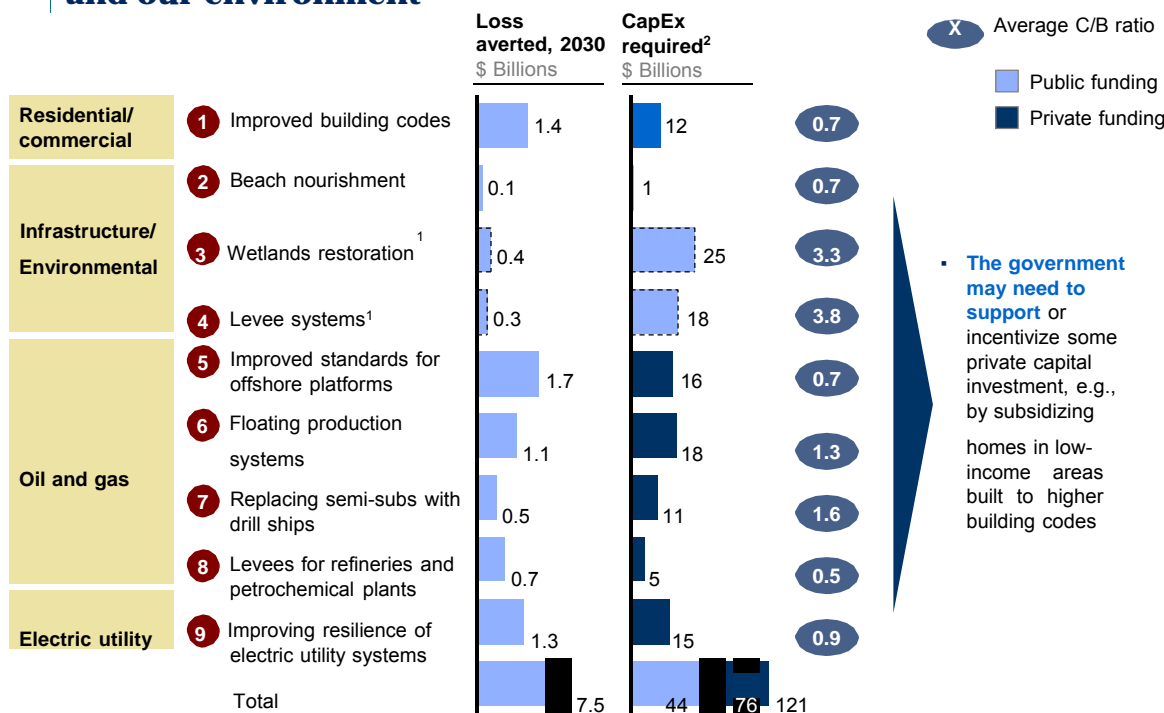


These measures translate to nine broad efforts to reduce risk across all sectors: residential/commercial, infrastructure/environmental, oil and gas and electric utility (Exhibit 6). On the whole, approximately \$44 billion of public funding will be required over the next 20 years to fund key infrastructure projects (including wetlands and levees). Some \$76 billion in private funding will be required. However policy makers may need to support and incent some private capital investment e.g., by subsidizing homes in low-income areas built to higher building codes.

## 6 Measures can translate into broad near-term actions to protect our region – that are cost effective and will help our economy and our environment



1 Included despite high C/B ratios due to strong co-benefits, risk aversion  
 2 Total capital investment, non-discounted, across 20 years

After these 9 efforts are put in place, there is still ~\$14 billion in annual expected loss remaining in residual risk. For tail-risk (extreme events), insurance or risk transfer measures are more cost-efficient than physical measures in providing coverage. Existing insurance penetration in the Gulf Coast can help cover approximately half of the \$14 bn in residual loss.

There are four key risk transfer actions that can help address residual loss: increase penetration of existing insurance (through more affordable premiums that are linked to physical measures); decreasing the prevalence of underinsurance (through incentives that encourage updating of insured value of property); encouraging additional self insurance; and transfer top-layer risk is transferred (e.g., through catastrophe bonds).

### Implementing key measures will require broad engagement across the region:

Actions are dispersed and will involve a broad set of structures, activities and stakeholders. For example, some 230 miles of beach nourishment activities, 1,000 square miles of wetlands restoration, ~ 540,000 miles of new, rebuilt or retrofitted distribution lines will be required.