

# Navigating the new Bipartisan Infrastructure Law for Risk Managers







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Historic changes are on the horizon for each and every state as the Bipartisan Infrastructure Bill has been signed into law. With over \$1.2 trillion of federal dollars being invested into America's infrastructure, the impact to Public Entity risk managers will be profound.

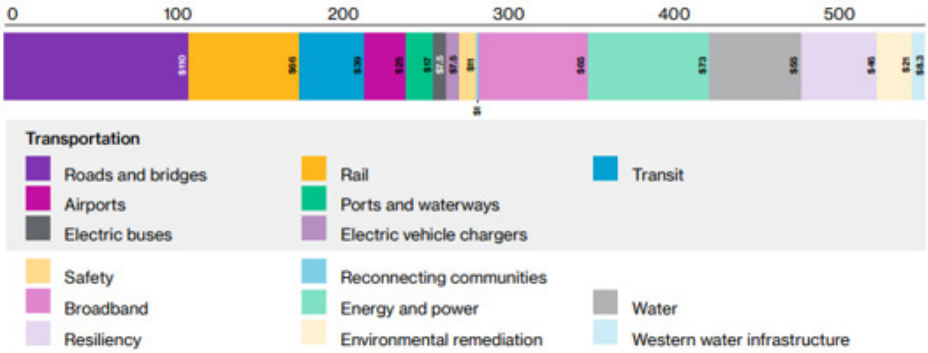
How will this change for you?

Substantial federal investment will result in a faster paced public entity world

The Bipartisan Infrastructure Law



Figure 1: Topline above-baseline spending in IIJA (billions of USD)



Source: Bipartisan Infrastructure Investment and Jobs Act <https://www.naco.org/resources/legislative-analysis-counties-bipartisan-infrastructure-law>

Taking a proactive approach is the first step for risk managers of today in order to understand what pressures will come into your department.

How WTW supports its clients through the next 5 years of the Federal Investment

How is your city, county or state preparing?

- Public entity talent pipeline will be in short supply
- New risk activities, programs and assessments will be needed
- New analytics focused on change in risk will be critical
- Cyber Quantified
- Property Quantified
- Climate Quantified and/or full review of Environmental, Social and Governance strategy

Models + Expertise = One WTW

Align	Enhance	Accelerate
<b>Aligning your current risk state to your future risk state</b>	<b>Enhance your approach to risk management by creating a strategy</b>	<b>Accelerate your strategy by communicating with your leaders</b>
<ul style="list-style-type: none"><li>• How do you currently evaluate and analyze your risks?</li><li>• Where is your largest budgetary spend?</li><li>• What resources do you have to manage incoming requests for insurance transfer or other risk services?</li><li>• What is the current level of claims activity and where from?</li></ul>	<ul style="list-style-type: none"><li>• Determine how the influx of IIJA dollars will increase your exposure base</li><li>• Quantitatively analyze the future state of possible premium spend and pressures on risk transfer</li><li>• Evaluate different capital structures that optimize the future state of your program</li></ul>	<ul style="list-style-type: none"><li>• Utilize graphs and analytical outputs to demonstrate the potential impact of your risk program</li><li>• Communicate the benefits of embedding the risk strategy (budgetary cycles and operational readiness)</li><li>• Navigate the transformation of your state</li></ul>





Navigating the new Bipartisan Infrastructure Law will be critical for tomorrow's risk manager. Below is a roadmap of how risk managers can stay ahead of the economic impact by adjusting their approach to both risk in a strategic/holistic perspective as well as a risk transfer manner.



### IIJA \$1.2 TR

- Historic investment in infrastructure
- Purpose: Create resilience in public transportation, cyber



### Analytics

- Evaluate the impact to your state's insurance program
- Expansion in value of assets and PE people will require re-evaluation of retentions, limits and budgets



### Cyber

- Investment in Broadband and resilience intended to ward off ransomware attacks. Hard market has led to +150% rates or sub-limits. Cyber Quantified is your choice



### Construction

- Large projects need Builders Risk, OPPI's, OCIP's
- Increase in bond requests



### Climate

- Wildfire resiliency and climate reviews. Climate Quantified.



### Connected Risk Intelligence

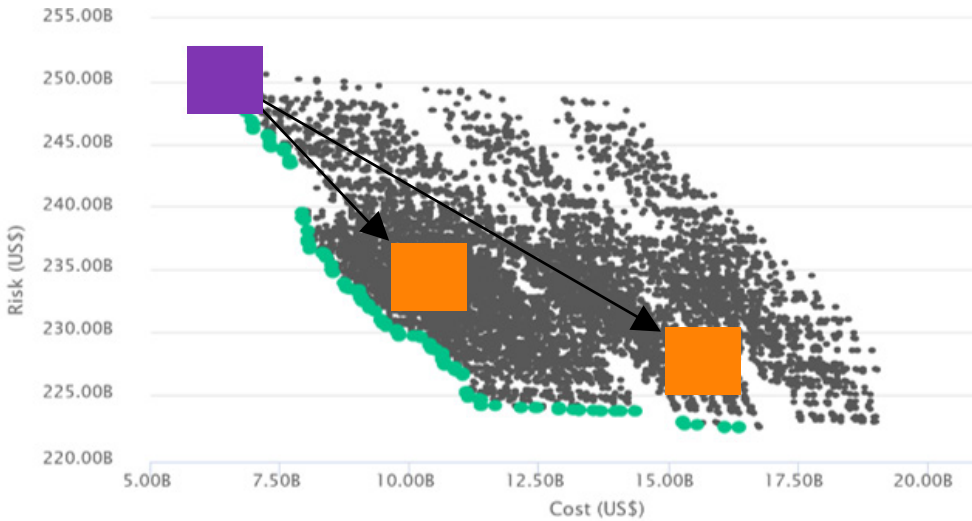
- State of Florida
- Holistic view of risk portfolio to view all perils within one lens


Creating your own path is going to be a journey. Understanding your future risk environment will give you a substantial step up as you plan for internal resources needed, budgetary changes and education for your agency and other governmental partners.


One state that took a step ahead of the Infrastructure Law and investment was the [state of Florida](#). They engaged us early to conduct a broad and holistic view of their risk environment now and the future state including the impact of climate change.

## Core and Holistic Analytics Identified and quantified Florida's most significant risks (below is an output of holistic analysis)

- Communicable disease and vector-borne illness
- Hurricane and flood
- Water contamination and scarcity
- Cyber



 Current state (after recent legislation)

 Strategy options to build upon recently passed legislation

## Evaluated risk mitigation options in portfolio and highlighted efficient strategies

### Efficient Risk Mitigation Options



- Strengthen Florida's public health system



- Invest in gray and green infrastructure



- Support water and sewer infrastructure
- Encourage Florida Friendly Landscaping



- Improve State cyber resiliency
- Enact standards for critical infrastructure

### Outlined a plan for ongoing, statewide risk governance

Proposed the establishment of a **Legislative Office of Risk Assessment** to empower continuous improvement in the examination and mitigation of Florida's risks.

## How WTW Analytics is preparing states with complex risk profiles

### Florida: A recent example

The Florida House of Representatives hired WTW to answer three questions:

1. What are the most consequential risks facing the State of Florida?
2. What steps should Florida take to address these priority risks efficiently and effectively?
3. How should Florida assess and prepare for risks going forward?

The future is quickly approaching, and we can provide the support necessary to keep up with the change in pace. Please contact us for further information and we look forward to speaking with you.

**Additional resources can be found at the links below:**

- <https://www.cnbc.com/2021/08/31/infrastructure-bill-map-which-states-get-the-most-money.html>
- <https://www.whitehouse.gov/briefing-room/statements-releases/2021/08/04/white-house-releases-state-fact-sheets-highlighting-the-impact-of-the-infrastructure-investment-and-jobs-act-nationwide/>

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**About WTW**

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