The Reef & Beach Resilience and Insurance Fund

The fund features the first-ever insurance policy on nature—a stretch of coral reef and beach—based on its protective service—that will pay out to repair and restore the reef in the event of a major storm.

The fund is designed to bring new private capital to coral reef and beach protection and restoration—and demonstrate a replicable way to monetize the protective services of the reef to the tourism and hotel sectors of Cancún and Puerto Morelos, Mexico—through a public-private collaboration.

**PARTNERSHIP WITH THE INSURANCE INDUSTRY NOW ALLOWS US TO MEASURE HOW MUCH RISK A REEF CAN REDUCE.**

An estimated 840 million people around the world live with the risk of coastal flooding, and the health of their economies is directly related to the health of their coastal ecosystems.

**HOW THE FUND WORKS**

- Pay the premium to buy a parametric insurance policy on a designated stretch of reef and beach.
- Act as “self-insurance” when the beach and reef are damaged by a storm but the policy trigger is not met and there is no payout.
- Pay for the science-based restoration and maintenance that ensures the health of the reef and the beach.

**KEY PLAYERS**

- **Hotel Owners Association**
- **State of Quintana Roo, Mexico**
- **The Nature Conservancy**

**FLOODING IMPACTS ON COASTAL PROPERTIES**

Preliminary studies show that a one-meter loss of reef height would translate into 1,300 square kilometers of inland flooding and $20 billion in lost infrastructure, imperiling the lives and livelihoods of vulnerable people.

**CORAL REEFS ARE LIKE NATURAL SEAWALLS**

Reefs reduce wave energy that causes coastal destruction and erosion. Reefs measurably protect people and coastal infrastructure from storm surge.

**HEALTHY REEFS** can reduce wave energy and storm surge effectively. 

**DEGRADED REEFS** lose their capacity to provide protection to the coast.

**PROJECT TIMELINE**


2005 Hurricanes Wilma and Emily hit with combined damages of over $5 billion USD.

2007 Hurricane Dean nearly destroys the coastal town of Majahual in Quintana Roo, Mexico.

2009 TNC begins coastal resilience science and implementation on the Mesoamerican Reef.

2012 TNC establishes Global Climate Risk & Resilience Team and begins exploring innovative policy and financial mechanisms.

2015 TNC coastal scientists complete risk analysis of the Mesoamerican reef’s protective service, finding that storm damages to built capital could triple with the loss of reef.

2016 The insurance industry is invited by the UN Secretary General to COP21 in Paris.

2017 TNC has partnered with the insurance industry and state and local government to execute the Reef & Beach Resilience and Insurance Fund.

97% Percentage of a wave’s energy that is reduced before it hits the shore, placing the reef’s protective services on par with typically more expensive and less resilient built infrastructure, such as breakwaters or seawalls.

For more information visit us at www.nature.org/insuringnature