

China Environmental Liability: Frequently Asked Questions



Following the recent Marsh risk alert on China's environmental liability regulations, numerous clients have sought additional information. This Frequently Asked Questions (FAQ) document endeavours to answer the principal questions being asked.

In which regions is China trailing the compulsory environmental insurance programme?

The initial pilot programme is currently targeting key industries in Hunan, Jiangsu, Hubei, Ningbo, Guangdong, Jiangsu and Shenyang provinces.

Will this be expanded to other regions?

Information is unavailable at this stage; however initial reports suggest a full implementation within a time frame of five years.

What industries are being targeted in the pilot schemes?

The pilot is targeting enterprises that produce, operate, store, transport and use hazardous chemicals, petrochemical enterprises and hazardous waste disposal enterprises. These are the industries most at risk of pollutant accidents and that have suffered pollution incidents in recent years.

Does Marsh expect this pilot trial to be expanded to cover other industries with environmental exposures?

Yes. It is expected the industry profile will be expanded to encompass other industries with environmental liability exposures.

Which insurance companies will underwrite environmental insurance in China?

All insurance policies must be written by a locally licensed insurer. In addition to the domestic insurers (PICC, Ping An and China Continent), the following international insurers can underwrite environmental insurance: AIU, ACE, Chubb and Liberty International Underwriters.

What information will be required to obtain a quotation?

Insurers will require information on the activities being carried out by the business with specific

emphasis on the environmental activities and how they are managed by the business. As is always the case, the more detailed information supplied, the better the result.

Marsh can help

Marsh, the world's leading risk advisor and insurance broker, has the specialized expertise to help businesses manage their environmental risk in China.

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