

# Exporters buck proposed mandatory environment insurance coverage

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BY RAADEE S. SAUSA, TMT ON JANUARY 30, 2017 BUSINESS | THE MANILA TIMES

EXPORTERS are not in favor of the proposed law requiring mandatory environment insurance coverage (MEIC) for environmentally critical businesses, saying this would just add another layer to the already burdensome documentary requirements in doing business in the country.

Philippine Exporters Confederation Inc. (PhilExport) President Sergio Ortiz-Luis Jr. said on Friday that making MEIC a requirement as stipulated under House Bills 3279 and 235 “contradicts various procedural documentary streamlining efforts by the national government and LGUs [local government units] in making the Philippine business environment more attractive.”

In a letter to House Committee on Ecology Chairperson Estrellita Suansing,

Ortiz-Luis said he believes that the proposed law is not economically viable, especially for micro, small and medium enterprises (MSMEs) which account for 99.6 percent of total registered enterprises in the country.

“It will just compound their other problems that discourage start-ups and dampen the thrust toward employment generation,” he said.

The PhilExport official said the intention of House Bills 3279 and 235 is similar to the existing mechanism under Department of Environment and Natural Resources (DENR) Administrative Order 30 requiring the creation of an Environmental Guarantee Fund (EGF).

The EGF is enforced for all co-located or single projects that have been determined by DENR to pose a significant risk or where the project requires rehabilitation or restoration.

Ortiz-Luis also cited the 1999 Clean Air Act and the Philippine Clean Water Act of 2004 which require proponents to put up financial guarantee mechanisms to fund the needs for emergency response, clean-up, or the rehabilitation of areas that may be damaged during the program or project’s actual implementation.

“Big businesses are already covered by environmental insurance policies as part of their good management practice. These policies, mostly covering all risks, are already costly,” he added.

Instead of the proposed laws, Ortiz-Luis called for the proper implementation of the EGF and have it “enhanced if necessary.”

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