MEMORANDUM ORDER

NO. D21

SUBJECT: Supplemental Guidelines to DENR Administrative Order No. 2005-06 on Mandatory Environmental Insurance Coverage

Pursuant to Section 6 of DENR Administrative Order (DAO) No. 2005-06, the attached Guidelines for Categorization of Project Environmental Risks is hereby issued. It shall apply to all existing and future projects/undertakings prescribed under DAO 2005-06.

Said Guidelines shall be followed in the categorization of environmental risks of projects or undertakings which shall serve as basis of the Mandatory Environmental Insurance Coverage (MEIC) prescribed under DAO No. 2005-06. Particularly, the categorized environmental risks shall guide the insurance companies in the valuation of insurance coverage.

The EMB Regional Directors shall ensure proper valuation of insurance coverage and that all aspects of the environmental damages are considered. They shall likewise ensure that the forms of coverage (i.e. Environmental Performance Bond or EPB and Environmental Pollution, Impairment and Clean-Up Liability Insurance or EPICLI) are appropriately applied pursuant to Section 3 of DAO 2005-06.

Henceforth, no Environmental Compliance Certificate (ECC) shall be issued without EPB and/or EPICLI.

Moreover, all EMB Regional Directors shall vigorously implement DAO 2005-06 and ensure that all existing projects/undertakings in their respective areas of jurisdiction comply with DAO 2005-06 within the First Quarter of CY 2006.

Pursuant thereto and in coordination with the accredited insurance companies, the EMB Regional Directors shall issue their respective regional procedures and administrative arrangements to facilitate the availment/issuance of EPB and/or EPICLI within their regional jurisdictions.

This Order shall take effect immediately and supersede all orders inconsistent herewith.

MICHAEL T. DEFENSOR
Secretary