

ACT ON LIABILITY FOR ENVIRONMENTAL DAMAGE AND RELIEF THEREOF

Act No. 12949, Dec. 31, 2014

Article 1 (Purpose)

The purpose of this Act is to contribute to providing the victims of environmental damage with prompt and unbiased relief by establishing an effective system of relief from damage, such as clarifying liability for damage caused by environmental pollution, easing burden of proof for victims, etc.

Article 2 (Definitions)

The definitions of terms used in this Act shall be as follows:

1. The term "environmental damage" means damage (including a series of damage due to the same cause) inflicted on the life, body (including mental harm) or property of any third person by air pollution, water pollution, soil pollution, marine pollution, noise, vibration, and other causes prescribed by Presidential Decree that occur from installing and operating a facility: Provided, That the damage inflicted on a business owner and the damage suffered by employees of the business owner in the course of duties shall be excluded;
2. The term "facility" means a facility referred to in Article 3 to which liability for compensation, obligation to report, etc. under this Act apply, including equipment fixed to a place of business, warehouse, or land closely related to the installation and operation of the facility, and including machines, devices, vehicles, technical equipment, and accessory equipment that can be moved to new locations;
3. The term "business owner" means the owner, installer, or operator who has actual control over the relevant facility;
4. The term "environmental liability insurance" means an insurance contract concluded by a business owner and an insurer, stipulating the terms and conditions guaranteeing the liability for environmental damage, if occurs, under this Act;
5. The term "insurer" means an insurance company as defined in the Insurance Business Act that undertakes to indemnify for environmental damage or guarantees to fulfill liability for damage according to the terms and provisions of an environmental liability insurance contract;
6. The term "policyholder" means an environmental liability insurance policyholder;
7. The term "operating institution" means an institution prescribed by Ordinance of the Ministry of Environment for the conclusion of indemnity contracts under Article 17 (2), performance of duties

concerning relief money under Article 23, operation of relief accounts under Article 35, etc.;

8. The term "indemnity contract" means an indemnity contract to compensate for environmental damage entered into between a business owner and an operating institution to assume liability to compensate for environmental damage;

9. The term "indemnity payment" means an amount paid by an operating institution to a business owner according to an indemnity contract entered into under Article 17 (2).

Article 3 (Facilities Subject to this Act)

Facilities subject to this Act applies are the following facilities:

1. Air pollutant-emitting facilities as defined in subparagraph 11 of Article 2 of the Clean Air Conservation Act;
2. Wastewater discharge facilities or wastewater non-discharge facilities as defined in subparagraphs 10 and 11 of Article 2 of the Water Quality and Aquatic Ecosystem Conservation Act;
3. Waste disposal facilities as defined in subparagraph 8 of Article 2 of the Wastes Control Act, installed by a waste treatment business operator pursuant to Article 25 (3) of the same Act and subject to approval or reporting pursuant to Article 29 (2) of the same Act;
4. Construction waste disposal facilities as defined in subparagraph 16 of Article 2 of the Construction Waste Recycling Promotion Act (including temporary storage facilities approved under Article 13-2 (2) of the Construction Waste Recycling Promotion Act);
5. Waste-generating facilities as defined in subparagraph 3 of Article 2 of the Act on the Management and Use of Livestock Excreta subject to permission or reporting pursuant to Article 11 of the same Act;
6. Facilities subject to control of soil contamination as defined in subparagraph 3 of Article 2 of the Soil Environment Conservation Act;
7. Chemical-handling facilities as defined in subparagraph 11 of Article 2 of the Chemicals Control Act of a person who runs a business selling hazardous chemical substances under Article 27 of the same Act or of a person required to submit a hazard management plan under Article 41 of the same Act;
8. Noise and vibration emission facilities as defined in subparagraph 3 of Article 2 of the Noise and Vibration Control Act;
9. Discharge facilities as defined in subparagraph 2 of Article 2 of the Persistent Organic Pollutants Control Act;
10. Facilities prescribed by Presidential Decree among marine facilities as defined in subparagraph 17 of Article 2 of the Marine Environment Management Act;
11. Other facilities prescribed by Presidential Decree.

Article 4 (Responsibilities of State, etc.)

(1) The State shall prepare effective means of relief from environmental damage in compliance with the purpose of this Act, and formulate policies necessary for mitigating damage.

(2) Local governments shall endeavor to prevent environmental damage through the safety management of environmental pollutants and facilities in compliance with the policies of the State formulated under

paragraph (1) and in consideration of regional characteristics.

(3) Business owners shall personally endeavor to prevent environmental damage arising from the installation and operation of facilities, take measures necessary for mitigating damage if an environmental pollution accident occurs, and cooperate in effectively implementing the policies of the State and local governments formulated under paragraphs (1) and (2).

Article 5 (Relationship with other Acts and Right to Make Claims)

(1) Except as otherwise expressly prescribed by this Act, the provisions of the Civil Act shall apply to compensation for environmental damage arising from the installation and operation of facilities.

(2) No right to make a claim under this Act affects any right to make a claim under other Acts, such as the Civil Act.

Article 6 (Business Owners' No-Fault Liability for Environmental Damage)

(1) Where environmental damage occurs with regard to the installation and operation of a facility, a business owner of the facility shall compensate for the damage: Provided, That this shall not apply where such damage occurs due to a war, civil war, riot, natural disaster, or force majeure.

(2) Where environmental damage occurs due to a situation that occurred before the operation of a facility was suspended, a business owner who operated the facility shall make compensation pursuant to paragraph (1).

Article 7 (Liability Cap for Compensation)

The liability cap of a business owner for compensation for environmental damage shall be prescribed by Presidential Decree within a maximum of 200 billion won, based upon the scale of the relevant facility, result of damage to occur, etc.: Provided, That this shall not apply in any of the following circumstances:

1. Where environmental damage occurs due to intentional or gross negligence of the business owner;
2. Where the business owner fails to observe relevant Acts and subordinate statutes, such as that he/she fails to observe safety management standards related to the installation and operation of a facility that has caused damage, he/she discharges pollutants in excess of permissible discharge limits, etc.;
3. Where the business owner who has caused environmental damage fails to take adequate measures to prevent and control the environmental damage, such as prevention of spread of damage.

Article 8 (Business Owners' Duty to Report)

(1) Where an environmental pollution accident occurs in a facility, the business owner of the facility shall immediately report the environmental pollution accident to relevant administrative agencies, such as a regional environmental office, Special Metropolitan City, Metropolitan City, Special Self-Governing City, Do, Special Self-Governing Province, Si, Gun, or autonomous Gu.

(2) A business owner shall promptly provide (including share) regular employees and residents in the affected area with information on environmental pollution, and take emergency measures necessary for preventing damage.

(3) A business owner shall record and preserve the outline, result, etc. of the occurrence of environmental pollution accidents, as prescribed by Ordinance of the Ministry of Environment.

(4) Where the gravity and urgency of an environmental pollution accident is recognized, the Minister of Environment or the head of a local government may order the relevant business owner to suspend the operation of the relevant facility.

Article 9 (Presumption of Causal Relationship)

(1) Where it is highly probable to believe that a facility has caused environmental damage exists, such environmental damage is presumed to have occurred from the facility.

(2) Whether sufficient probability referred to in paragraph (1) exists shall be determined in consideration of the operation process of a facility, equipment in use, types and concentration of input or discharged materials, weather conditions, when and where damage has occurred, status of damage, circumstances affecting the occurrence of damage, etc.

(3) Where a business owner proves that environmental damage has occurred due to other reasons, or that he/she has fulfilled the responsibilities under Article 4 (3), such as that he/she has observed all provisions of Acts and subordinate statutes governing the environment and safety, and all terms and conditions of authorization and permission related to the cause of occurrence of the environmental damage prescribed by Presidential Decree, and he/she has endeavored to prevent environmental damage, etc., he/she shall be exempt from presumption under paragraph (1).

Article 10 (Joint and Several Liability)

Where at least two business owners have caused environmental damage and it is impracticable to identify which business owner is liable for the environmental damage, such business owners shall jointly and severally compensate for such environmental damage.

Article 11 (Claims for Reimbursement)

(1) A business owner who, pursuant to Article 6, has compensated for environmental damage arising from the installation and operation of a facility by a third business owner may make a claim for reimbursement to the third business owner.

(2) Where environmental damage has been caused by the supply of materials and services used for the installation and operation of a facility, a business owner may make a claim for reimbursement only where the person who has supplied such materials and services is intentionally or grossly negligent.

Article 12 (Allocation of Liability)

(1) Where a business owner prescribed by Ordinance of the Ministry of Environment contracts out (including subcontracting; hereafter the same shall apply in this Article) the installation and operation of a facility, he/she shall specify the ground for contracting out, the plan for contracting out, allocation of liability for reimbursement under this Act, etc. on the written contract and report thereon to the authorizing or permitting agency of the facility.

(2) Where any terms and conditions of contract under paragraph (1) has become substantially unfair or are contrary to good customs and public order in light of the overall business relationship, such terms and conditions shall be made null and void.

(3) Where a contractor has contracted out the installation and operation of a facility, he/she shall be bound to manage and supervise a contractee (including a subcontractor; hereafter the same shall apply in this Article), and shall not unreasonably request the contractee to install and operate the facility.

(4) Where a contractor under paragraph (1) violates this Act with regard to contracted duties, the violation of this Act shall also affect a contractee.

Article 13 (Methods of Compensation)

Environmental damage shall be indemnified monetarily: Provided, That where re-instatement is possible without incurring excess expenses compared with the amount of indemnity payments, a victim of the environmental damage may request re-instatement.

Article 14 (Requests, etc. to Reimburse for Expenses for Reinstatement)

Where environmental damage arising from a facility simultaneously causes damage to the natural environment defined in subparagraph 1 of Article 2 of the Natural Environment Conservation Act or to the natural scenery defined in subparagraph 10 of Article 2 of the same Act, a victim of the environmental damage may request re-instatement to the relevant business owner or directly reinstate the damaged part. If the victim of such environmental damage directly reinstates the damaged part, he/she may request the relevant business owner to reimburse for expenses incurred in such reinstatement.

Article 15 (Right to Request Information)

(1) Where it becomes necessary to determine the establishment and scope of a right to claim compensation for damage under this Act, a victim may request a business owner of the relevant facility to provide information on the details provided for in Article 9 (2) or to permit perusal thereof.

(2) A business owner in receipt of a claim for compensation for damage under this Act may request a third business owner to provide information on the details provided for in Article 9 (2) or to permit perusal thereof in order to determine the scope of the compensation for damage to a victim or the scope of a right to reimbursement from the third business owner.

(3) A person in receipt of a request for provision or perusal of information under paragraphs (1) and (2) shall provide relevant information or permit perusal thereof.

(4) Where a request for provision or perusal of information is rejected for reasons of business confidentiality, etc., a victim or a business owner may request the Minister of Environment to issue an order permitting the provision or perusal of information.

(5) Where a request is made under paragraph (4), the Minister of Environment shall determine whether to issue an order permitting the provision or perusal of information after deliberation thereon by the Committee on Policies for Relief from Environmental Damage established under Article 16, and may issue an order to the relevant business owner to provide information or to permit perusal.

(6) No person who has been provided with information or has perused information pursuant to paragraphs (1), (2), and (5) shall misappropriate the information, such as using the information for other than the purpose, or providing the information to any third persons.

(7) Procedures for making requests for provision or perusal of information under paragraphs (1) through (5), and other necessary matters shall be prescribed by Ordinance of the Ministry of Environment.

Article 16 (Committee on Policies for Relief from Environmental Damage)

(1) A Committee on Policies for Relief from Environmental Damage (hereinafter referred to as "Committee") shall be established under the jurisdiction of the Minister of Environment to deliberate on the following matters concerning environmental liability insurance and relief from environmental damage:

1. Matters concerning terms and conditions of environmental liability insurance contracts;
2. Matters concerning selection of insurers;
3. Matters concerning support to policyholders;
4. Matters concerning methods of, and procedures for, the appraisal of environmental damage;
5. Matters concerning whether environment and safety related Acts and subordinate statutes, terms and conditions for authorization and permission, etc. are complied with, which are related to the circumstances affecting the occurrence of environmental damage prescribed in Article 9 (2) and the causes of environmental damage prescribed in paragraph (3) of the same Article;
6. Matters concerning the provision and perusal of information under Article 15 (4) and (5);
7. Matters concerning relief from environmental damage under Article 22;
8. Review of and adjudication on requests for re-examination under Article 33;
9. Other matters the chairperson of the Committee submits for discussion.

(2) The Committee shall consist of up to 20 members, including a chairperson and a vice chairperson.

(3) The Vice Minister of Environment shall become the chairperson and the vice chairperson shall be elected among and by members.

(4) Members shall be appointed or entrusted by the Minister of Environment from among the following persons:

1. Persons with at least ten years' work experience related to the environment;
2. Judges, prosecutors, or attorneys with at least seven years' experience;
3. Persons who have held the post of an associate professor or higher or a corresponding post at an accredited university or research institute;
4. Public officials appointed to the Senior Civil Service, with at least three years' experience;
5. Persons with abundant knowledge and experience in environmental damage and liability insurance;
6. Persons with abundant knowledge and experience in industrial safety, protection of industrial information, etc., who are recommended by the Minister of Trade, Industry and Energy;
7. Persons with abundant knowledge and experience in the marine environment, who are recommended by the Minister of Oceans and Fisheries.

(5) The term of office of members shall be two years.

(6) Article 31 shall apply mutatis mutandis to the exclusion, challenge, and recusal of re-examination members with regard to the review of, and adjudication on a request for re-examination under paragraph (1) 8.

(7) The formation and operation of the Committee, and other necessary matters shall be prescribed by Presidential Decree.

Article 17 (Obligation to Subscribe to Environmental Liability Insurance, etc.)

(1) A business owner who installs and operates any of the following facilities shall subscribe to environmental liability insurance:

1. A facility referred to in subparagraph 1 of Article 3 that discharges specified hazardous air pollutants;
2. A facility referred to in subparagraph 2 of Article 3 that discharges specified hazardous water pollutants;
3. A facility referred to in subparagraph 3 of Article 3 that treats designated wastes;
4. A facility referred to in subparagraph 6 of Article 3 prescribed by Presidential Decree;
5. A facility referred to in subparagraph 7 of Article 3 prescribed by Presidential Decree;
6. A facility falling under subparagraph 10 of Article 3;
7. Other facilities highly likely to cause environmental damage that are prescribed by Presidential Decree.

(2) A business owner referred to in paragraph (1) shall conclude an indemnity contract with an operating institution, as prescribed by Ordinance of the Ministry of Environment, in any of the following circumstances:

1. Where his/her application for environmental liability insurance is rejected;
2. Where no environmental liability insurance is developed and operated;
3. Where the terms and conditions of relevant environmental liability insurance become substantially unfair and in other circumstances prescribed by Ordinance of the Ministry of Environment.

(3) No business owner referred to in paragraph (1) shall install and operate any facility unless after he/she has subscribed to environmental liability insurance or has entered into an indemnity contract.

(4) The amount of environmental liability insurance coverage, scope of coverage, and other necessary matters shall be prescribed by Presidential Decree.

Article 18 (Insurers)

(1) Insurers shall enter into an agreement on the environmental liability insurance business with the Minister of Environment after deliberation thereon by the Committee.

(2) Where it is necessary for efficiently operating the environmental liability insurance business and diversifying risks, the Minister of Environment may form an environmental liability insurance business group (hereinafter referred to as "insurance business group") for which multiple insurers are jointly responsible.

(3) Where a business owner referred to in Article 17 (1) intends to subscribe to environmental liability insurance, no insurer shall refuse to conclude a contract unless the grounds prescribed by Presidential Decree exist, such as suspension of operation.

(4) Where a business owner is highly likely to cause environmental damage or in circumstances prescribed by Presidential Decree, multiple insurers may jointly conclude an environmental liability insurance

contract under Article 17 (1), notwithstanding paragraph (3). In such case, the insurers shall inform the business owner of procedures for concluding a joint contract and insurance premiums.

(5) Where multiple insurers form an insurance business group, they shall select a representative insurer.

(6) Matters necessary for entering into an agreement on environmental liability insurance business under paragraph (1), formation of an insurance business group, selection of a representative insurer under paragraph (5), and other matters shall be prescribed by Ordinance of the Ministry of Environment.

Article 19 (Operation and Management of Environmental Liability Insurance)

(1) In order to increase business owners' endeavor to mitigate environmental damage, the Minister of Environment may determine standards for deductibles to be borne by business owners in environmental liability insurance after deliberation thereon by the Committee.

(2) Where an authorizing or permitting (including registration, reporting, and modifications; hereinafter the same shall apply) agency of facilities referred to in Article 17 (1) grants authorization of, or permission for, the facilities, it shall verify whether the relevant business owner has subscribed to environmental liability insurance or has entered into an indemnity contract appropriate for the standards under this Act.

(3) The business owner of any of the facilities referred to in Article 17 (1) shall submit a certificate of environmental liability insurance to the authorizing or permitting agency of such facilities.

(4) Every insurer shall give notice to a business owner who has subscribed to environmental liability insurance that the environmental liability insurance is expiring, between 75 days to 30 days, and 30 days to 10 days respectively, before the expiration of such environmental liability insurance: Provided, That this shall not apply in any of the following circumstances:

1. Where the period of the insurance contract is less than one month;
2. Where the business owner renews the insurance contract with the former insurer;
3. Where the insurer becomes aware of that the business owner has concluded a new contract with a third insurer.

(5) Where a business owner bound to subscribe to environmental liability insurance concludes or terminates an environmental liability insurance contract, the relevant insurer shall notify an authorizing or permitting agency or relevant specialized institution entrusted by the Minister of Environment pursuant to Article 44 (2) with management duties, such as subscription to, and termination of environmental liability insurance, of such fact in the manner prescribed by Ordinance of the Ministry of Environment.

(6) An insurer shall make profits and losses of environmental liability insurance transparent by keeping the accounting of the environmental liability insurance separately from other accounts.

Article 20 (Advance Payment of Some of Insurance Proceeds)

(1) A victim may make a direct claim for insurance proceeds to an insurer.

(2) Upon the expiration of the period prescribed by Presidential Decree from the date a claim is made under paragraph (1), an insurer shall make an advance payment of some of the estimated insurance proceeds to the victim, at the request of the victim, even before insurance proceeds payable are determined.

(3) Standards for advance payments under paragraph (2) shall be prescribed by Ordinance of the Ministry of Environment.

Article 21 (Preferential Payment, etc. Made to Holders of Right to Claim Compensation for Damage, etc.)

(1) A victim has a right to be indemnified in preference to other creditors with regard to a claim for compensation for damage.

(2) No right to claim insurance proceeds under this Act shall be transferred, seized or provided as security.

Article 22 (Re-insurance Business)

(1) The Government may run re-insurance business covering environmental liability insurance.

(2) The Minister of Environment shall enter into an agreement with insurers that intends to subscribe to re-insurance.

(3) Matters necessary for the operation of re-insurance business, such as re-insurance premiums, re-insurance proceeds, and selection of reinsurers, shall be prescribed by Presidential Decree.

(4) The Minister of Environment may entrust an operating institution with matters concerning the operation of re-insurance business and the conclusion of agreements under paragraphs (1) and (2).

Article 23 (Relief from Environmental Damage)

(1) Where a victim fails to fully or partially receive compensation for environmental damage for any of the following grounds, the Minister of Environment may pay money for relief from environmental damage (hereinafter referred to as "relief money") to the victim or his/her bereaved family members (hereinafter referred to as "victim, etc."):

1. Where a person who causes environmental damage is unknown, his/her existence is not obvious or he/she is insolvent;
2. Where the relief money exceeds the liability cap for compensation under Article 7.

(2) Notwithstanding paragraph (1), the Minister of Environment may make an advance payment of relief money to a victim at his/her request, etc. in any of the following circumstances:

1. Where an environmental liability insurance contract under Article 17 (1) or indemnity contract covering environmental damage has not been concluded or has lost effect;
2. Where an insurer fails to make an advance payment of some of insurance proceeds, notwithstanding Article 20 (2);
3. Other cases that the Minister of Environment deems necessary.

(3) The kinds and maximum limit of relief money, and other matters necessary for paying relief money shall be prescribed by Presidential Decree.

(4) An operating institution that has paid relief money to a victim on the grounds provided for in paragraph (1) 1 or (2) for environmental damage for which a business owner is responsible to compensate may claim a reimbursement to the business owner within the liability cap for compensation under Article 7 and the relief money paid.

Article 24 (Environmental Damage Relief Council, etc.)

(1) An environmental damage relief council (hereinafter referred to as "council") shall be established in an operating institution to deliberate and decide on matters concerning the payment of relief money.

(2) In order to survey and research into matters necessary for deliberating and deciding on matters concerning the payment of relief money under paragraph (1), an environmental damage inspection team (hereinafter referred to as "inspection team") may be established in an operating institution.

(3) The formation and operation of a council and an inspection team, and other necessary matters shall be prescribed by Presidential Decree.

Article 25 (Filing Applications for Relief Money and Payment thereof)

(1) A victim, etc. intending to receive relief money shall file an application for payment of relief money with an operating institution.

(2) Within 30 days from the receipt of an application filed under paragraph (1), an operating institution shall inspect (hereinafter referred to as "preliminary inspection") whether a victim, etc. meets the requirements for payment of relief money (hereinafter referred to as "requirements for payment") and notify the victim, etc. of the result: Provided, That it may extend the period by up to 15 days for justified reasons.

(3) Where it is found that a victim, etc. meets the requirements for payment by a preliminary inspection, and has filed an application for advance payment, an operating institution may make a partial advance payment of relief money to the victim following deliberation and decision thereon by a council.

(4) Where it is found that a victim, etc. meets the requirements for payment by a preliminary inspection, an operating institution shall conduct a main inspection of damage and notify the victim, etc. of the decision on whether relief money is to be paid, the degree of damage, etc., following deliberation and decision thereon by a council, within 60 days from the date the result of the preliminary inspection is notified: Provided, That it may extend the said period by up to 30 days where it is impracticable to make a decision on whether to pay relief money for justified reasons, such as medical reasons.

(5) An operating institution shall pay relief money within 30 days from the date it has decided to pay relief money: Provided, That it may extend the said period by up to 15 days if it is impracticable to pay relief money is difficult due to extenuating circumstances.

(6) Methods of filing applications under paragraph (1), the details and methods of conducting preliminary and main inspections, standards for making advance payments, and degree of damage under paragraphs (2) through (4), and other necessary matters shall be prescribed by Ordinance of the Ministry of Environment.

Article 26 (Restrictions on Payment of Relief Money)

(1) Where a person entitled to relief money is deemed to have aggravated the condition of his/her illness or to have hindered the cure of his/her illness either intentionally or gross negligently, an operating institution may suspend the payment of all or part of relief money.

(2) Where a person entitled to relief money is deemed to have recovered from his/her illness, an operating institution may suspend the payment of relief money.

(3) Where an operating institution suspends the payment of relief money pursuant to paragraph (1) or (2), it shall, without delay, notify the relevant victim of such fact.

(4) Matters necessary for restricting the payment of relief money shall be prescribed by Presidential Decree.

Article 27 (Definition of Bereaved Family Members and Priority Order)

(1) Bereaved family members entitled to relief money shall be limited to a victim's spouse (including a person in a de facto relationship), children, parents, grandchildren, grandparents, brothers, and sisters who share livelihood as at the time of death of the victim.

(2) The priority order of bereaved family members entitled to relief money shall be as enumerated in paragraph (1): Provided, That in the case of parents, foster parents shall be prioritized, and biological parents given lower priority.

(3) In defining bereaved family members under paragraph (1), a fetus shall be deemed already born as at the time of death of a victim.

(4) Where at least two bereaved family members entitled to relief money under paragraph (1) are given the same priority, equally divided relief money shall be paid to such bereaved family members.

(5) No bereaved family member is entitled to relief money if:

1. He/she intentionally causes the death of a victim;
2. He/she intentionally causes the death of a person who is to become a bereaved family member entitled to relief money due to the death of a victim and is expected to be prioritized or in the same priority order before the death of the victim;
3. He/she intentionally causes the death of a bereaved family member entitled to relief money who is prioritized or is the same priority order after the death of a victim.

Article 28 (Making Requests for Examinations)

(1) A person dissatisfied with a decision, etc. on any of the following (hereinafter referred to as "decision, etc.") may make a request for examination to an operating institution:

1. Matters concerning the results of preliminary inspections under Article 25 (2);
2. Matters concerning decisions to pay relief money under Article 25 (4);
3. Matters concerning the amount recovered under Article 37 (4).

(2) A request for examination referred to in paragraph (1) shall be made within 90 days from the date one learns that a decision, etc. has been made: Provided, That the period during which a request for examination cannot be made due to a natural disaster, war, commotion, or force majeure shall not be counted in the period given for making a request for examination.

(3) Procedures for, methods of making requests for examinations, decision-making, giving notice of decisions, etc., and other necessary matters shall be prescribed by Ordinance of the Ministry of Environment.

Article 29 (Relief Money Review Committee)

- (1) In order to deliberate on requests for examinations made under Article 28, a relief money review committee (hereinafter referred to as "review committee") comprised of relevant specialists, etc. shall be established in an operating institution.
- (2) A review committee shall be comprised of between 9 to 15 members, including a chairperson.
- (3) The term of office of members of a review committee shall be two years, which may be renewed.
- (4) Other matters necessary for the formation and operation of a review committee shall be prescribed by Presidential Decree.

Article 30 (Review of, and Decisions on Requests for Examinations)

- (1) An operating institution shall make a decision on a request for examination after deliberation thereon by a review committee within 30 days from date the request for examination is made under Article 28: Provided, That it may extend the said period by up to 30 days only once if it cannot make a decision due to extenuating circumstances.
- (2) Where it is necessary for reviewing a request for examination, an operating institution, at the application of a requester or ex officio, may require:
 1. A requester or interested person to appear at a designated place to inquire of him/her or state his/her opinions;
 2. A requester or interested person to submit documents or other items that can be used as evidence;
 3. A third party who has specialized knowledge or experience to conduct appraisal or diagnosis.

Article 31 (Exclusion, Challenge, and Withdrawal of Members of Review Committee)

- (1) A member of a review committee shall be excluded from the review and decision-making of a case if:
 1. The member, or his/her current or former spouse becomes a party to the case, or is a joint holder of any right or a duty holder in respect of the case;
 2. The member is a current or former relative as provided for in Article 777 of the Civil Act of a party to the case;
 3. The member gives testimony or appraisal in respect of the case;
 4. The member is or was involved in the case as an agent of a party to the case;
 5. The member is involved in the decision, etc. from which the case arose.
- (2) Where a party to a case anticipates impartial review and decision-making from a member of a review committee, it may apply for challenge of the member.
- (3) Where a member of a review committee falls under a reason under paragraph (1) or (2), he/she may voluntarily withdraw himself/herself from the review and decision-making of the case.

Article 32 (Making Requests for Reexamination)

- (1) A person dissatisfied with a decision made under Article 30 (1) may make a request for reexamination to the Committee under Article 16.
- (2) A request for reexamination referred to in paragraph (1) shall be made within 90 days from the date one learns that a decision has been made under Article 30 (1): Provided, That the period during which a

request for re-examination cannot be made due to a natural disaster, war, commotion, or force majeure shall not be counted in the period given for making a request for re-examination.

Article 33 (Review of, and Adjudication on Requests for Reexamination)

(1) Article 30 shall apply mutatis mutandis to the review of, and adjudication on requests for reexamination. In such case, "operating institution" shall be construed as "Committee on Policies for Relief from Environmental Damage," "date the request for examination is made under Article 28" as "date a request for reexamination is made under Article 32," "request for examination after deliberation thereon by a review committee" as "request for reexamination", and "decision" as "adjudication," respectively.

(2) An administrative litigation may be filed against the Ministry of Environment as a party concerned over an adjudication made under paragraph (1) within 60 days from receipt of a written adjudication.

Article 34 (Compensation for Damage and Relationship with other Relief)

(1) No relief money shall be paid to any victim or his/her bereaved family member if the victim or his/her bereaved family member is entitled to compensation for damage, relief, etc. under this Act or other Acts and subordinate statutes on the ground of the relevant environmental damage.

(2) Where a person entitled to relief money has already received compensation, relief, etc. corresponding to such relief money for the same reason pursuant to the Civil Act or other Acts and subordinate statutes, he/she shall be paid relief money after deducting compensation, relief, etc. already received.

(3) Where litigation is pending over a case for which a request for relief money is filed, deliberation on relief money over the case may be suspended by decision of a deliberation committee.

Article 35 (Account for Relief from Environmental Damage)

(1) An operating institution may open and operate an account for relief from environmental damage (hereinafter referred to as "relief account") to cover finances necessary for making indemnity payments under indemnity contracts, relief money, etc.

(2) The relief account shall be operated with the following:

1. Re-insurance premiums;
2. Revenues from the operation of the relief account and other revenues;
3. Loans obtained under paragraph (3);
4. Indemnity money received by making a claim for reimbursement under Article 23 (4);
5. Re-insurance proceeds recovered or relief money recovered under Article 37 (4);
6. Donations from individuals, corporations, or organizations;
7. Contributions from the Government or entities other than the Government.

(3) Where necessary for operating the relief account, an operating institution may obtain loans from financial institutions at the expense of the relief account.

(4) Notwithstanding Article 5 (2) of the Act on Collection and Use of Donations, an operating institution may receive voluntarily donated money and items insofar as they serve the purpose of relief from environmental damage.

(5) An operating institution shall manage the money and items donated under paragraph (4) by opening a separate account.

Article 36 (Uses of Relief Account)

The relief account shall be used to:

1. Make indemnity payments under indemnity contracts;
2. Make payments or advance payments of relief money;
3. Repay principal and interest of loans under Article 35 (3);
4. Disburse expenses (including entrustment expenses) incurred in managing and operating the relief account;
5. Pay re-insurance premiums;
6. Surveys and research to appraise environmental damage, mitigate damage, etc.;
7. Disburse expenses incurred in maintaining and improving the system for relief from environmental damage.

Article 37 (Management, Operation, etc. of Relief Account)

- (1) An operating institution shall operate assets of the relief account separately from other assets.
- (2) An operating institution may accumulate the remaining funds in the relief account that not used for relief money, etc. during the relevant year to use it for relief duties for the following year.
- (3) An operating institution may operate surplus funds in the relief account in the methods prescribed by Presidential Decree.
- (4) Where an operating institution has erroneously paid relief money or a victim, etc. have been paid relief money by fraudulent or other illegal means, it shall recover the full amount paid (referring to two times the amount paid if a victim, etc. are paid by fraudulent or other illegal means) and pay it into the relief account.
- (5) Where a person liable to pay back the relief money under paragraph (4) fails to pay it by the due date, an operating institution shall recover the relief money in the same manner as delinquent national taxes are collected, with the approval of the Minister of Environment.

Article 38 (Building and Operation of Computer System)

- (1) In order to utilize administrative information necessary for performing duties, such as granting authorization and permission, and statistics on administrative disposition, in formulating policies on, and conducting surveys and research on environmental liability insurance, the Minister of Environment may build and operate a computer system.
- (2) In order to efficiently manage business owners who have not subscribed to environmental liability insurance, the Minister of Environment may build and operate a computer system for environmental liability insurance computer by interconnecting the computer system built and operated pursuant to paragraph (1) and computer systems managed and operated by insurers, relevant organizations, etc.
- (3) In order to build and operate the computer system under paragraph (1) and the computer system for environmental liability insurance under paragraph (2), the Minister of Environment may request necessary

data and information from authorizing or permitting agencies, insurers, relevant organizations, etc. In such cases, an entity in receipt of a request for necessary data or information shall comply with such request except in exceptional circumstances.

(4) In order to build and operate the computer system under paragraph (1), the Minister of Environment may use:

1. Disaster records prepared pursuant to Article 70 of the Framework Act on the Management of Disasters and Safety;
2. Data on business registration under Article 8 of the Value-Added Tax Act;
3. Data prescribed by Presidential Decree among the data on policyholders under Article 5 of the Act on the Collection of Insurance Premiums, etc. for Employment Insurance and Industrial Accident Compensation Insurance.

Article 39 (Submission of Data, Inspections, Reporting, etc.)

(1) Where it is deemed necessary to soundly operate environmental liability insurance and to protect policyholders and the insured, the Minister of Environment may require insurers to report on the status of conducting insurance business or to submit relevant documents.

(2) Where the Minister of Environment may order a business owner or a person entrusted with authority pursuant to Article 44 (2) to report or require subordinate public officials to enter the office, factory, etc. of such business owner, etc. to inspect relevant books, documents, or other necessary items, or to inquire of interested parties, if deemed necessary.

(3) Public officials who conduct an inspection or make inquires under paragraph (2) shall carry a certificate of identification and produce it upon request by interested parties.

(4) Insurers shall submit financial statements, business reports, etc. related to environmental liability insurance to the Minister of Environment and operating institution, as prescribed by Ordinance of the Ministry of Environment.

Article 40 (Scientific Surveys, Research, etc.)

(1) The Minister of Environment shall formulate policies to promote scientific surveys and research related to the prevention of environmental damage, the environmental liability insurance system, etc. and the development of relevant technologies.

(2) The Minister of Environment shall formulate a plan to educate and train experts necessary for operating environmental liability insurance, such as appraisal of environmental damage.

(3) In order to encourage business owners to subscribe to environmental liability insurance and revitalize environmental liability insurance, the Minister of Environment may develop and disseminate insurance products for facilities, other than facilities subject to mandatory subscription to environmental liability insurance under the subparagraphs of Article 17 (1).

(4) The Minister of Environment may conduct a pilot project if he/she intends to introduce a new insurance product or in other necessary circumstances.

(5) The Minister of Environment may provide support necessary for conducting scientific surveys and research, training experts, and conducting pilot projects under paragraphs (1) through (4).

Article 41 (Subsidization)

(1) The State may provide partially subsidize insurance premiums borne by an environmental liability insurance policyholder within budgetary limits to a business owner who conscientiously performs environmental management duties under relevant Acts and subordinate statutes among small enterprises as defined in Article 2 (2) of the Framework Act on Small and Medium Enterprises.

(2) Standards for business owners eligible for subsidization under paragraph (1), and other necessary matters shall be prescribed by Presidential Decree.

Article 42 (Support for Litigation to Socially Disadvantaged Classes)

(1) The Minister of Environment may provide support to victims in socially disadvantaged classes prescribed by Presidential Decree, such as low-income earners, senior citizens, and the weak, and persons with disabilities, in filing a litigation seeking compensation for damage related to the liability for compensation under Article 6.

(2) The Minister of Environment may operate an attorney group supporting environmental damage litigation (hereinafter referred to as "litigation support group") to provide support under paragraph (1).

(3) Matters necessary for the details of support, methods of applying for support, formation and operation of a litigation support group under paragraphs (1) and (2) shall be prescribed by Ordinance of the Ministry of Environment.

Article 43 (Administrative Dispositions, etc.)

(1) The Minister of Environment may order a business owner who installs and operates a facility in violation of Article 17 (3) to suspend the operation of the facility for a specified period not exceeding six months.

(2) The effect of an administrative disposition under paragraph (1) shall be succeeded by a transferee of the relevant facility.

(3) Standards for administrative dispositions under paragraph (1) shall be prescribed by Presidential Decree.

Article 44 (Delegation and Entrustment of Authority)

(1) Part of the authority of the Minister of Environment under this Act may be delegated to Mayors, Do Governors, or the heads of regional environmental offices, as prescribed by Presidential Decree.

(2) Part of the duties of the Minister of Environment under this Act may be entrusted to the heads of relevant specialized institutions, as prescribed by Presidential Decree.

Article 45 (Information Users' Obligation)

No person entrusted with the duties pursuant to Article 44 (2), institution entrusted with the calculation of insurance premium rates and the appraisal of damage, and person engaged in the affairs concerning environmental liability insurance and relief accounts shall divulge the information he/she has become aware of in the course of performing his/her duties or misappropriate it, such as providing it to any third

persons.

Article 46 (Deemed Public Officials for Purposes of Penalty Provisions)

Persons performing in the duties entrusted pursuant to Article 44 (2) and insurers under this Act shall be deemed public officials for the purposes of Articles 129 through 132 of the Criminal Act.

Article 47 (Penalty Provisions)

(1) Any person who receives relief money by fraudulent or other illegal means shall be punished by imprisonment for up to two years, or by a fine not exceeding 20 million won.

(2) Any of the following persons shall be punished by imprisonment for up to one year, or by a fine not exceeding ten million won.

1. A person who divulges or provides information to any third persons or misappropriates it, in violation of Article 15 (6) or Article 45;
2. A business owner who fails to subscribe to environmental liability insurance or to conclude an indemnity contract, in violation of Article 17.

Article 48 (Joint Penal Provisions)

Where the representative of a corporation, or an agent, employee, or other servant of the corporation or an individual commits a violation under Article 47 in connection with the business of the corporation or the individual, not only shall such violator be punished, but also the corporation or individual shall be punished by a fine under relevant provision: Provided, That this shall not apply where such corporation or individual has not been negligent in giving due attention and supervision over the relevant business to prevent such violation.

Article 49 (Administrative Fines)

(1) Any of the following persons shall be punished by an administrative fine not exceeding ten million won:

1. An insurer who refuses to conclude a contract with a business owner intending to subscribe to environmental liability insurance under Article 17 (1), in violation of Article 18 (3);
2. An insurer who fails to make an advance payment, in violation of Article 20 (2).

(2) Any of the following persons shall be punished by an administrative fine not exceeding five million won:

1. A business owner who fails to provide information, refuses to allow perusal, or provides false information, in violation of Article 15 (3) or (5);
2. An insurer who fails to provide information or give notice, in violation of Article 18 (4) or 19 (4) or (5);
3. An insurer who fails to report or submit data, in violation of Article 39 (1);
4. An insurer who refuses, interferes with, or evades an inspection, a request for reporting, or an inquiry under Article 39 (2) without justifiable reasons;
5. An insurer who fails to submit a financial statement, business report, etc., in violation of Article 39 (4).

(3) Administrative fines prescribed under paragraphs (1) and (2) shall be imposed and collected by the Minister of Environment.

ADDENDUM

This Act shall enter into force one year after the date of its promulgation: Provided, That Article 17 shall enter into force one year and six months after the date of its promulgation.

