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Study of Insurance Economics

# Études et Dossiers

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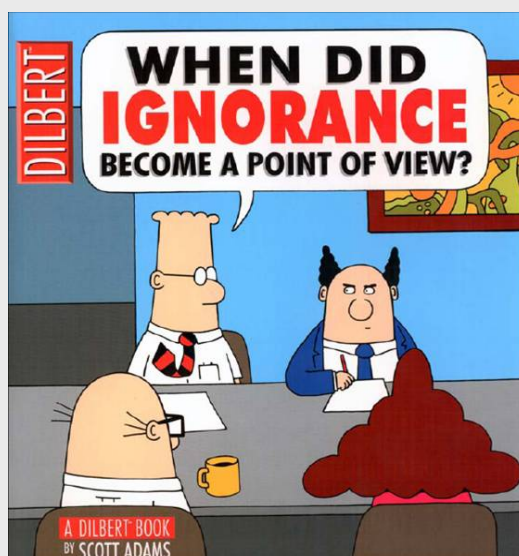
Layout & Distribution: Valéria Kozakova

# Damage & Causation - Dealing with Limited Knowledge: GMO/EMF


Christian Lahnstein

Precautionary principle

Münchener Rück  
Munich Re Group

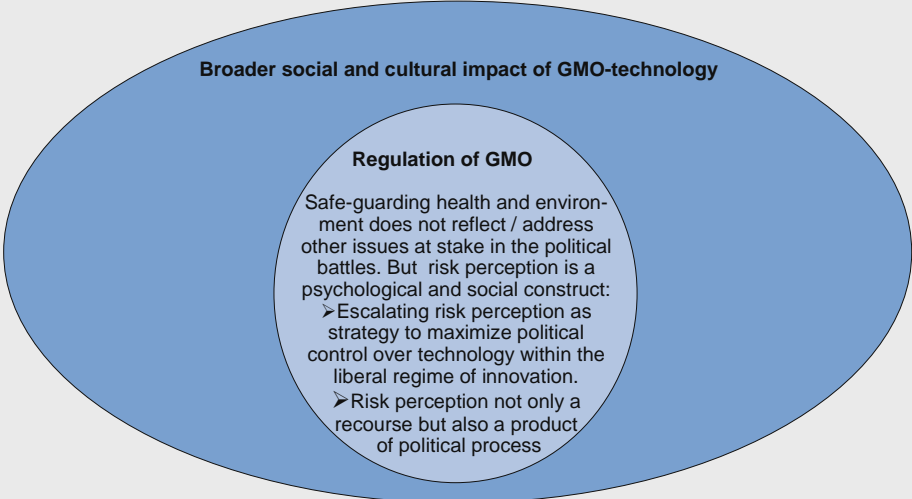


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**Precautionary principle and GMO: overloading the risk argument** 

see: W.v.d. Daele, Legal framework and political strategy in dealing with the risks of new technology, in: Elgar (ed.), The Regulatory Challenge of Biotechnology, 2007, 118-137.

No democratic control over the forces of social change: under liberal regimes of innovation, the mandate of political decision making is limited to regulation = containment of risk:




**Broader social and cultural impact of GMO-technology**

**Regulation of GMO**


Safe-guarding health and environment does not reflect / address other issues at stake in the political battles. But risk perception is a psychological and social construct:

- Escalating risk perception as strategy to maximize political control over technology within the liberal regime of innovation.
- Risk perception not only a recourse but also a product of political process

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**Precautionary principle and GMO: creating losses and liabilities** 

Suspected health or environmental risk



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    graph TD
      A[Suspected health or environmental risk] --> B[State decisions:  
bans, limitation of licenses,  
establish liabilities]
      A --> C[company/consumer decisions  
preferences]
      B --> D[product differentiation]
      C --> D
      D --> E[product mixing, "contamination", cross-pollination]
      E --> F[State decisions:  
compensation schemes]
      E --> G[company/consumer decisions  
goodwill payments, liabilities]
    
```

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### The EMF case



- 120 years of human testing
- 20 years and 50.000 studies
- Paul Brodeur's success story and flop: a failed US-mass litigation
- Dubious asbestos lessons: first exclude, ask later
- Uninsurable? clarify which line of business you are referring to






# Damage & Causation - Dealing with Limited Knowledge: GMO/EMF *Questionnaire*

Christian Lahnstein

## Should Liability of GMO to compensate economic loss of non GMO because of cross-pollination



- 1. Be covered under liability insurance  
 40.0 %
- 2. Be covered by funds  
 26.7 %
- 3. Not be covered  
 33.3 %

