Climate change is one of the most fundamental challenges of our time. The extraordinary growth of greenhouse gas (GHG) emissions in China represents the single greatest obstacle to global climate change efforts in the coming decades. Meanwhile, China suffers from the adverse consequences of climate change. It has been recognized that two factors may increase climate change risks: (a) the increase in GHG emissions, which will increase the frequency and intensity of climate hazards; and (b) the increase of value-at-risk, such as the increased concentration of the world’s population and property in vulnerable areas. Therefore, mitigation of climate change risk involves not only human intervention to reduce GHG emissions but also prevention of potential losses caused by climate hazards. Among many solutions to risk mitigation, insurance has received increased attention due to its expertise in risk management and regulatory function in influencing policyholders’ behavior. Chapter 3 examines the ability of two types of insurance—liability insurance and catastrophe insurance—to regulate and thus help mitigate climate change risks, and considers the potential lessons for China.
In medicine, an iatrogenic risk is a risk that arises from the medical treatment itself, such as side effects of surgery or drugs. The same phenomenon arises in the process of regulatory and legislative actions intended to facilitate mitigating and financing of catastrophic... One of the key challenges and perplexities associated with climate adaptation and risk mitigation is the so-called "low-probability, very high-consequence outcomes" of climate change (Kleindorfer, 2009). Climate change will have far-reaching consequences for agriculture that will disproportionately affect the poor. Greater risks of crop failures and livestock deaths are already imposing economic losses and undermining food security and they are likely to get far more severe as global warming continues. Adaptation measures are needed urgently to reduce the adverse impacts of climate change, facilitated by concerted international action and strategic country planning. As a major source of greenhouse gas (GHG) emissions, agriculture also has much untapped potential to reduce emissions through red...