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Author: Dr. Olga Volynskaya
State Space Corporation ROSCOSMOS, Russian Federation, aoerjia88@mail.ru

SPACE INSURANCE LAW - A NEW STEP TO SPACE COMMERCIALIZATION IN THE RUSSIAN
FEDERATION

Abstract

Diversification of space activities provides for economic growth, scientific, technical and social development, strengthening of the defensive power. A stable insurance system protects space operators against financial consequences of possible damage.

Establishment of a space insurance system dates back to early 1990s, the beginning of market reforms in Russia. Its first organizational stage is completed, uniform insurance principles and procedures has been elaborated by practice.

Space insurance in Russia is regulated only by article 25 of the Law "On Space Activities" of 20.08.1993, which sets compulsory insurance of life and health of cosmonauts and space infrastructure personnel, as well as third party liability. Insurance requirements shall be set by a separate federal law. Due to the absence of such a document space insurance is currently regulated by the Law "On the organization of insurance in the Russian Federation" of 27.11.1992 and chapter 48 of the Russian Civil Code.

Draft law "On space risks insurance" is targeted at creation of a stable, clear and transparent legal regime for all types of space insurance within the whole life cycle of space objects, first of all government-owned (launch vehicles, upper stages, space vehicles and parts thereof, launch sites, etc.). The main purpose of the future law is to protect state interests in case of international liability for national space activities, ensure non-stop performance of the Federal Space Programme of Russia and other federal task programmes under which rocket and space objects are created, tested and exploited.

The draft law stipulates conditions, principles and order of space insurance, sources of financing, requirements to underwriters, control measures, state regulation of insurance rates setting, rights and obligations and other specific features of insurance agreements, dispute settlement issues.

Compulsory insurance includes the following types: 1) life and health insurance of cosmonauts and space infrastructure personnel; 2) insurance of risks during the design and manufacturing of space and rocket objects; 3) insurance of risks during preparation and performance of space launch; 4) insurance of third party liability risks; 5) insurance of space infrastructure objects.

Adoption of the federal law governing space risks insurance will guarantee timely and full coverage of damage to life, health and property, minimize risks of unplanned substantial payments, simplify insurance contract-making, prevent diversion of financial resources from international and federal space programmes and provide for stability of space operations.