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INSURING COMMERCIAL SPACEFLIGHT: CONFRONTING CHALLENGES AND CHARTING THE
SCHEME**Abstract**

Ever since the first practice of satellite insurance issued in 1965 that was written for covering pre-launch phase of an Intelsat's "Early Bird". Statistics have shown a growing capacity in insurance market in pace with the growth and emergent of commercial space activities though fluctuation of premiums, coverage, deductibles and exclusions in the market happens in connection with unsuccessful launches and policy changes. It is commonly agreed that insurance plays a fundamental role in the development and success of commercial space activities and that insurance is in a close relation with activities of such due to the characteristic of high risk and that government-operated missions may self-insured their risks. Commercial spaceflight industry as a newly emerging market is highly relied on insurance policy for its sustainable development and market expansion, which is not only due to the characteristic of high risk of the market but also to the requirements set by national space activities regulatory frameworks for licensing and authorizing. However, considering that current commercial spaceflight activities are not yet in a mature stage, current market and policy study mainly address practices that dated from the first satellite insurance issued in 1965 till now, most of which the underwritten insurable interests are launch vehicles and satellites, with coverage period ranging from pre-launch, launch and in-orbit. Comparative studies can be drawn when it comes to insurance regarding commercial launch vehicles and commercial spaceflight payloads; while issues on liability insurance, especially insuring commercial spaceflight participants is not under current legal considerations. Taking the high-risk nature of the industry, current insurance policy and national regulatory requirements of insurance into consideration, the paper presented will illustrate issues on: 1) Current commercial spaceflight market development and impact of international liability regime on the emerging commercial space activity; 2) National space regulatory frameworks and the incorporation of international liability into national legislation, especially insurance requirements in national legislations; 3) Overview of insurance market regarding commercial space operations and its policy; 4) Proposing an insurance regime for commercial spaceflight, including commercial launch vehicle insurance, third-party liability insurance, spaceflight participant insurance.