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Financing space: Procurement, competition and regulatory approach (2)

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INSURANCE INVOLVEMENT ON NEW SPACE ACTIVITIES DEVELOPMENTS
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Abstract

The intent of this paper is to discuss the impacts on the insurance market of the development of new space activities. This paper will focus on the deployment of satellites for specific missions being among others to refuel a satellite already in orbit, restore its power, reposition it on its designated orbit or even deorbit it in the atmosphere leading to a controlled re-entry or to move it up to the graveyard orbit. When considering these new activities, new risks will emerge linked to the legal environment, the technical aspects and to the performance of the considered missions. Therefore, we may categorized the risks as follows: - Risks linked to the existing regulation (such as the international instruments and national space or common, tort laws) and to the absence of specific regulation. - Risks related to docking with an already in-orbit satellite or risks to third parties satellites or on ground associated with these activities. - Risks related to the proper or improper performance of the satellite and its consequences on the "saved" satellite itself or to third parties. Listing the risks leads to question the liability and responsibility that would be beard by the space operator (of the satellite in mission or of the satellite to be worked on) and how it could eventually be mitigated through proper contractual protections. As a consequence, the insurance market will be called upon in order to offer adapted protections on the issue of damages to the satellites at stake (the satellite performing its mission and the satellite being the object of the mission) along with damages caused to third parties in space or on earth. This paper will then discuss the possible paths for insurance to accompany such activities development, by using existing standard insurance programs or by developing new concept of insurance. For the past years the space insurance market have evolved and have known a period of profitability. Today, it is a very competitive market, therefore, providing new insurance programs may give the insurers the opportunity to differentiate from the others in respect of their insurance offer. The insurance support, in terms of adapted conditions and premium rates could be an element that would help the development of new space activities.