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THE NEWSPACE ROLE IN THE INSURANCE MARKET: PROFITABILITY GOALS AND ITS
REGULATORY FRAMEWORK CHALLENGES**Abstract**

While the space insurance market has broadly been profitable over the past 20 years, the sector has experienced consecutive losses in the last three years with claims exceeding premiums in 2018, 2019 and 2020. An incentive to revert to profitability might be provided by the NewSpace insurance, and by the aim of finding a new level of complementary between insurance and mission assurance for the NewSpace sector. In particular, novel insurance formulas would indeed create additional opportunities for the market. Certainty, space insurance would have to find a different level of flexibility on defining terms of the products and services, as well as on conducting the evaluation risk phase, especially due to the rising use of unproven technologies. For instance, it would be beneficial for insurers to be involved from the beginning in the preliminary phase in order to be supportive in the identification of coverage needs. Insurance targeting the NewSpace sector would customise the elements and conditions within each milestone, being in line with the coverage requirements. This paper will highlight the regulatory framework regarding insurance for space activities, and will translate its meaning, outlining the consequence for both the NewSpace sector and the space insurance market. With regards to types of insurance, a distinction must be made between property insurance and third-party liability insurance. The former covers the failure of a satellite during launch and in-orbit operation and is covered by space insurers. The latter is mostly based on legal obligations under international and national laws to buy insurance or provide financial guarantee and is typically covered by the aviation insurance industry. The property insurance is the result of a risk mapping analysis made by launch services providers or satellite operators, and there are not insurance obligations resting upon the space operator or manufacturer. Furthermore, the increase of interest in commercial space travel and the emergence of the private spaceflight industry might severely impact both space and aviation insurance sectors. This could also bring to increasing demand for the so-called Personal Accident programme focused on damages sustained by astronauts while in mission (usually, provided by life insurance).