



SMALL SATELLITE RISKS & INSURANCE

20TH ANNUAL SPRSA SYMPOSIUM

NASA Ames Research Center
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BUSINESS IN SPACE

UNIQUE OPPORTUNITIES AND CHALLENGES



- **Using space assets can be very rewarding**
 - National Security and Science
 - Commercial Business
- **Risk associated with space assets are unique**
 - Industry veterans have historically driven the methodology
 - Entrepreneurial ventures challenging the status quo
- **Many risks are insurable, but some risks are not**
 - Physical damage to payloads, launch systems and ground equipment
 - Liability for damages to others
 - Execution of your business

RISKS OF DOING BUSINESS IN SPACE

MUST BE CAREFULLY MANAGED



- **Physical damage / mission success**
 - Loss of your assets
 - Consequences to your business
 - **Liability for damages to others**
 - Certain liabilities to 3rd parties allocated by regulations
 - Certain liabilities to related parties determined by contract
 - Certain liabilities to others remain
 - **Performance of suppliers, customers, and regulators**
 - Technology risk / execution risk
 - Financial risk & credit risk
 - Political risk & contract risk
 - Cyber and computer crime risk
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INSURABLE RISKS

COVERAGES TAILORED TO SPACE RISKS



- **Property coverages**

- Spacecraft prelaunch, launch and in-orbit coverages readily available
- Coverages for buildings, contents, equipment readily available
- Includes coverage for consequential losses

- **Liability coverages**

- Launch liability to 3rd parties coverage required by the launching state
- In-orbit liability coverage / product liability coverage
 - Required by certain states
- D&O, general liability, fiduciary liability, cyber liability, etc.
- Errors and omissions and professional liability

INSURABLE RISKS

INSURANCE PURCHASING PRACTICES



- **Large commercial programs typically buy insurance or have alternative risk funding mechanisms in place**
 - Operators, manufacturers, launch service providers
 - Driven by shareholder desire to protect their investments
- **Emerging commercial programs often self insure**
 - Entrepreneurial ventures challenging the status quo
 - Increased tolerance for accepting risk
 - Shorter lived smallsats can be considered as consumables
- **US Government programs typically self insure**
 - Some risk transferred to contractors / supplies contractually

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THANK YOU!

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