

Satellite and rocket insurances to rise

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A couple of major insurance losses on rocket and satellite failures will send insurance rates up. A presentation last week at Euroconsult's World Space Business Week by a group of insurance executives confirmed that premiums are rising as the industry tries to recoup from those losses and adjust what were uncompetitive premiums, and return to profit.

Dominique Rora, a senior underwriter at insurance group AXA XL, said the underlying problems were not the failures themselves but rather declining premiums in the past. "What has been of particular importance over the past few years is the decreasing trend in premium," he told delegates.

However, recent insured losses have not helped the overall insurance picture. The July failure of a Vega rocket and its UAE satellite cost underwriters some \$415 million, while a Maxar craft (WorldView 4) which failed in orbit cost another \$183 million. This makes the year – to date – one of the worst on record and outweighing the total insurance global revenues of some \$450 million.

Rora said that back in 2003 insurance cover on a launch were typically some 20 per cent of the insured amount (and this reflected the higher risk of rocket launchers at the time). By 2018 the same sort of cover saw premiums of just 5 per cent.

Indeed, one giant insurer, Swiss Re, exited the satellite and space sector completely. Rora added that he expected insurance premiums to rise to probably about 10 per cent (of the insured value).

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