



Aon International Space Brokers

Il mercato assicurativo
internazionale e la TPL

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Insurance covers all phases of a satellite programme



Assembly
Integration
& Testing



Transit



Pre-Launch



Launch



In-Orbit Life



Re-entry

.....
« *Space Insurance* » covers Launch, In-Orbit and re-Entry

- ✓ Coverage for **Property All Risks**: specialized space market
- ✓ Coverage for **Third Party Liability**: part of the Aviation Market

Space Insurance Market Conditions

Exceptionally heavy losses in 2023

- Estimated end of year Premium ~USD 550M
- Losses > USD 1,75B

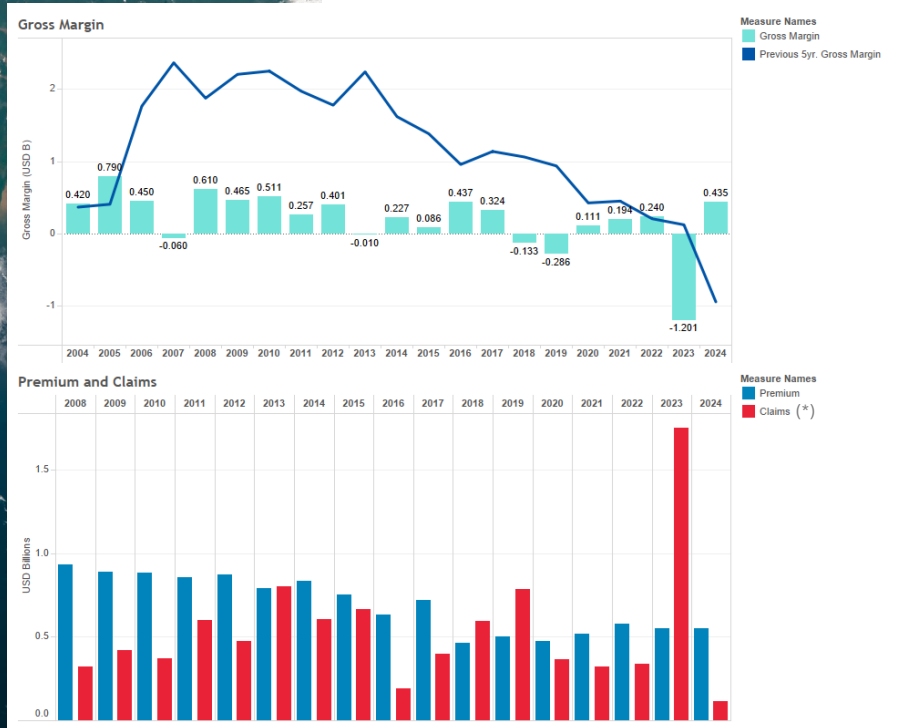
Continuing heavy losses in 2024

- Known losses as of end May 2024 > USD 115

Negative 5 years rolling margin

Strong market reaction

- ✓ Some insurers leave the market
- ✓ Sharp rates increase
- ✓ Increased selectivity



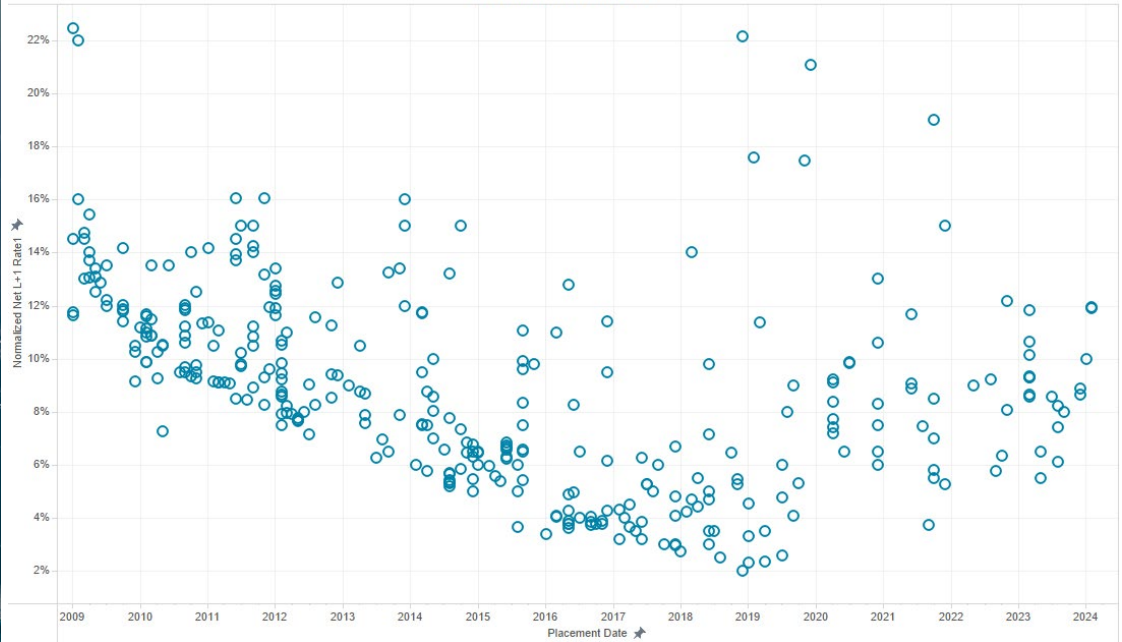
(* Losses considering the date of Occurrence)

Market Conditions



Selective underwriting

Normalised Net Rate Vs Time
Launch plus One Year





Space TPL Scope of application

- ✓ 1972 Convention on International Liability for Damage Caused by Space Objects
 - Launching State is liable (absolute liability on earth, tort liability in space)

- ✓ Launching State may have a recourse against the operator (launch or or in-orbit)

- ↔ Operator buys insurance
 - Up to amount required by national regulation, or
 - or as deemed useful if no regulatory requirement
 - Magnitude of risk to be estimated (MPL)

Countries with National Space Law

- ✓ 13 countries with National Space Law

- ✓ Various Insurance requirement:
 - Launch vs In-Orbit
 - Fixed amount or variable depending upon MPL

- ✓ Generally associated with state indemnity



Space TPL insurance covers

Damage to Third Parties arising out of

- ✓ Preparation of a launch prior to that launch and operations unrelated to a specific launch
- ✓ Launch attempt
- ✓ In-orbit operations
- ✓ Re-entry operations

Space TPL Coverage Principles

- ✓ to defend the Insured from liability claims from third parties for bodily injury and property damage arising from their space-related activities
- ✓ pay any claims or settlements awarded by a court or negotiated between the parties.
- ✓ cover for the costs and expenses incurred in legal defence of the claim

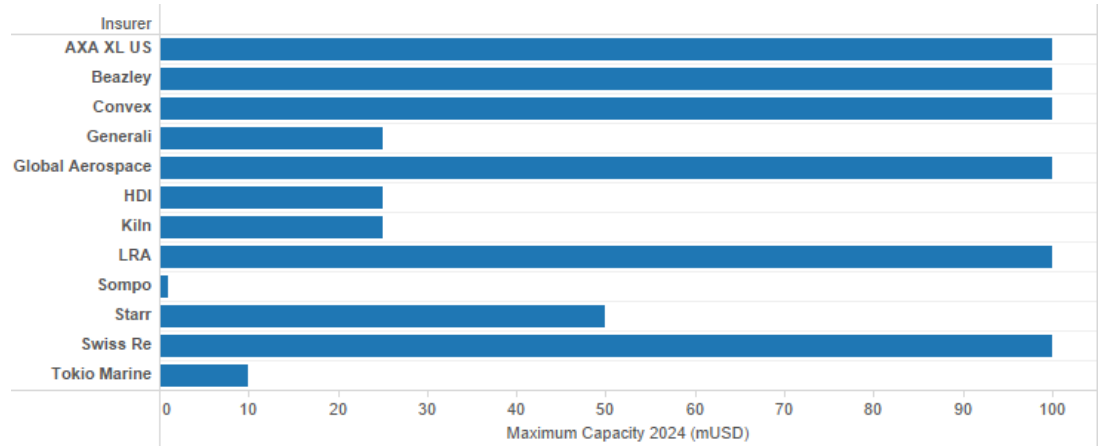


Third Party Liability Market

Underwritten in the Aviation Market

- Aviation market dynamics
- Circa 10% annual increase over the past 3 years driven by claims and inflationary pressures in Aviation Market
- 2024 Space Liability capacity almost stable (noting the withdrawal of Allianz)
- 2024 working capacity circa USD 500M

No major claim ever in space TPL so far



Theoretical Capacity Approx USD 736 million



Challenges ahead

Beyond increase in risk of loss due to increased number of satellites/debris

- ✓ Tracking of ownership – who is the Launching State ?
 - Increasing number of small / fragile operators bound to disappear shortly after launch
 - Combined operations
 - Identification of debris

- ✓ Definition of “tort” in space operations

- ✓ Financial viability of the market
 - Current annual income in TPL Market Approx USD 7.5M in 2023
 - No law of large numbers – usual insurance statistic inefficient
 - Max working capacity USD 500M (less for LEO)
 - Typical LoL EUR 60 million, may be higher for satellite fleets



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