



We are Lloyd's of one giant leap for mankind

Where do you go when the risks you face are literally out of this world? Lloyd's, of course. Thanks to our legendary appetite for risk, we have become a global centre for space cover of many different kinds. And it's a market that's growing all the time.

Of course, it would be easy to view space insurance as glamorous. And to a certain extent, it is. But it's also extraordinarily complex, with advanced technology and constant innovation. There are many different types of insurance, and many different risks. Explore a few of them here.

Ground Control

In late January, the unmanned NSS-8 spacecraft blew up at launch on the Sea Launch Odyssey Platform in the Pacific Ocean. The satellite and launch vehicle were insured for \$256m. A significant loss, without doubt. But, because the risk was shared between many insurers in the Lloyd's market, it was by no means disastrous.

Satellites

In previous years little was known about the launch history of operators and the reliability of component parts. This made it notoriously difficult to price insurance for satellites accurately. It was a challenge, however, that a group of Lloyd's underwriters rose to admirably: Lloyd's is now home to a new facility for satellite insurance, which combines the market's underwriting expertise with some highly sophisticated intelligence. With over 140 satellites currently in orbit, and around another 25 launched every year, it's proving a valuable source of expertise.

Spacecraft

To calculate the risks involved in space flight, underwriters have to take into account a huge number of factors. How will the launch vehicle take off? What are the risks involved with the technology? And, if the flight is manned, how will it affect the astronauts – or, in the case of commercial space flights, the passengers? Science provides many of the answers, of course. In the past few months, for example, scientists have been calling for volunteers to spend weeks in a replica spaceship, so that they can assess the effects that lengthy space travel may have on the human body and mind.

Commercial space flight

When SpaceShipOne scooped the \$10million Ansari X prize for the first private manned space flight, Lloyd's wasn't actually on board. But without our legendary appetite for risk, the mission would never have got off the ground. Now, with tourist flights planned to launch for the first time in 2009, commercial space travel is set to grow as an area for insurance.

Where will risks come from?

Few know exactly what risks a spacecraft or satellite might face or be subjected to outside the atmosphere. This is something, however, that Lloyd's has to explore in great detail. Could In-Orbit debris cause damage to a spacecraft or satellite? What is the likelihood that the technology could malfunction or fail completely? Alternatively, could something a little more unexpected occur? Early in 2007, for example, China confirmed that it had destroyed an out-of-date weather satellite with a ballistic missile.