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Study of Insurance Economics

Études et Dossiers

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14th International Space Insurance Conference

**“Space & Private Enterprise: Is the
Environment Ripe for Expansion?”**

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Layout & Distribution: Valéria Kozakova

Space Insurance Overview

Christopher Kunstadter

A Thought For Today...

***“Prediction is very difficult,
especially about the future.”***

– Niels Bohr


Global Factors Affecting Insurance Market Volatility

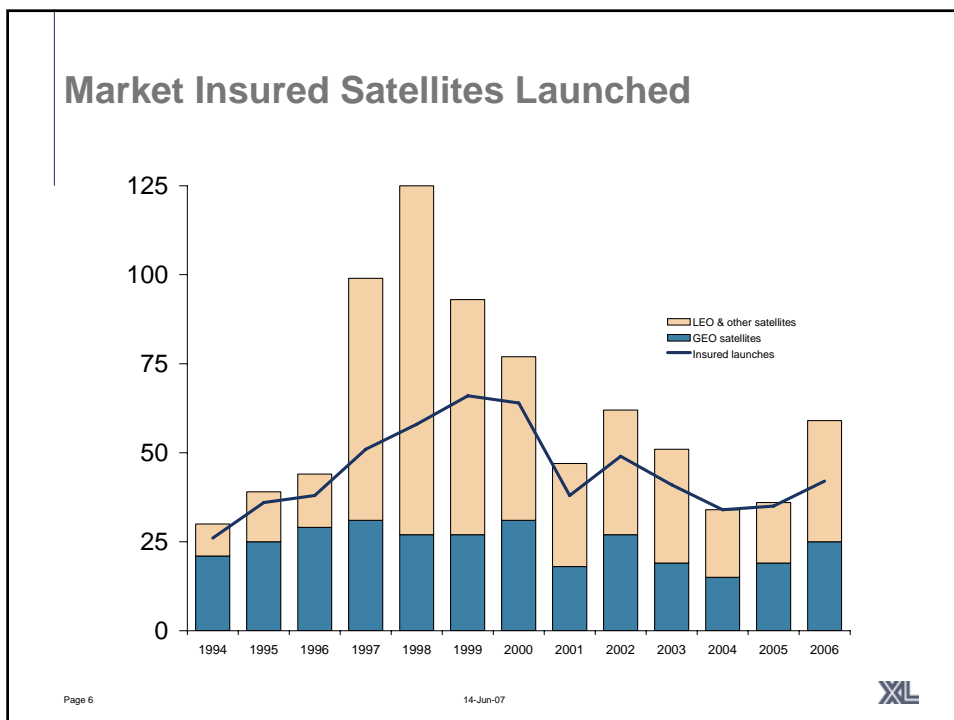
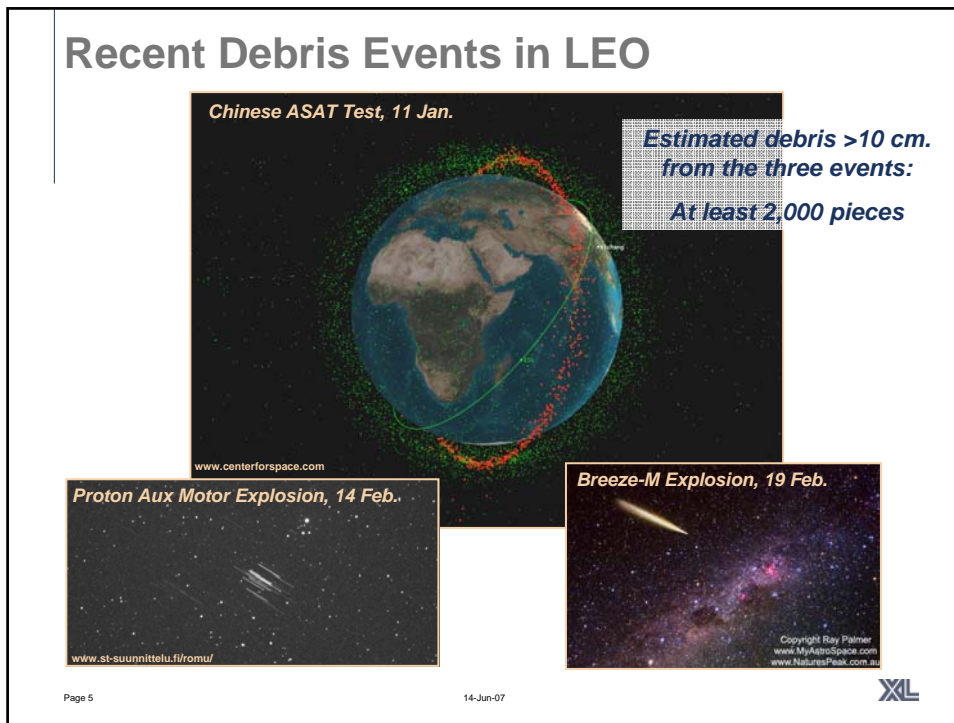
- **Excess liquidity in financial markets**
- **Uncertain global economic situation**
 - Natural disasters, terrorism, globalization, consumer prices, dollar, oil, hedge funds/private equity
- **Lower investment income**
 - Interest rates and equity markets
- **Increased complexity of risks**
 - Frequency and severity of losses
 - Emerging risks
 - Workplace chemical exposure, climate change, identity theft, aging population, corporate governance
- **More scrutiny by regulators and rating agencies**

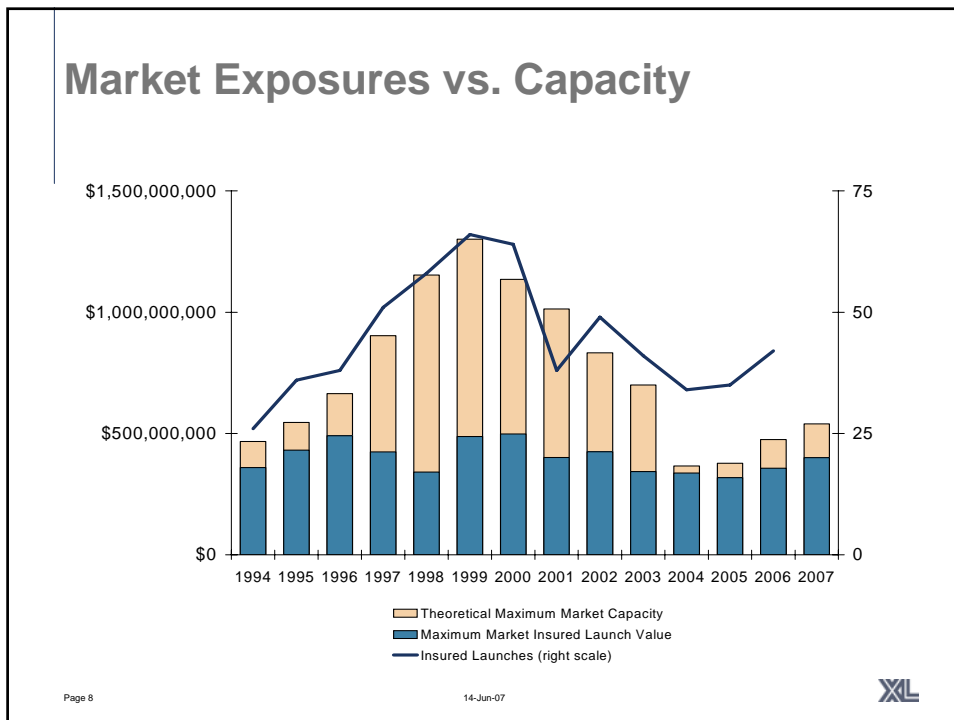
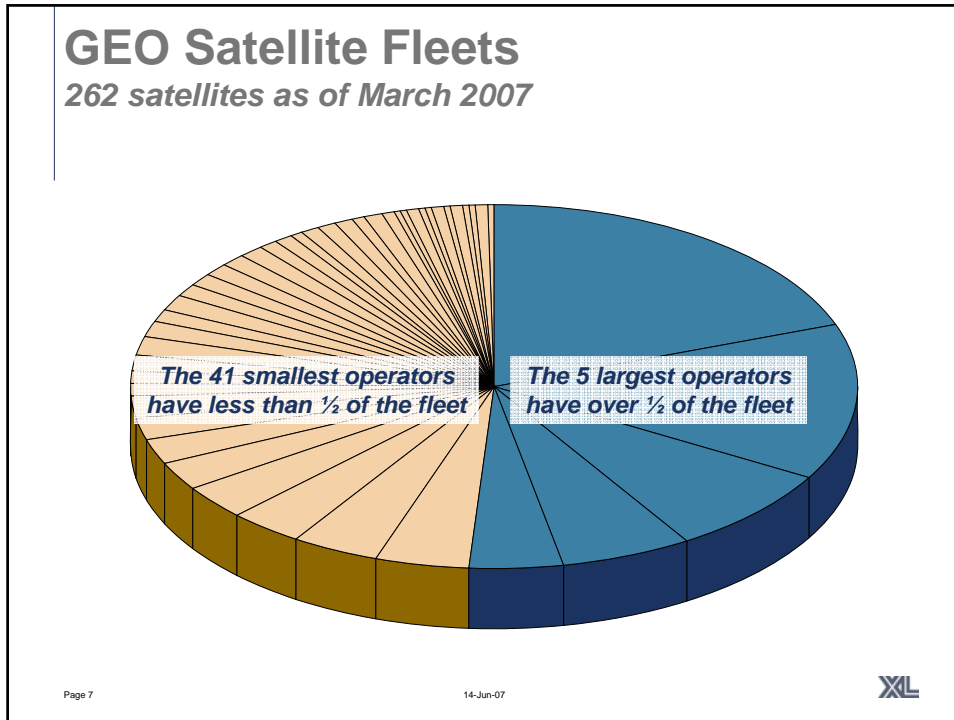
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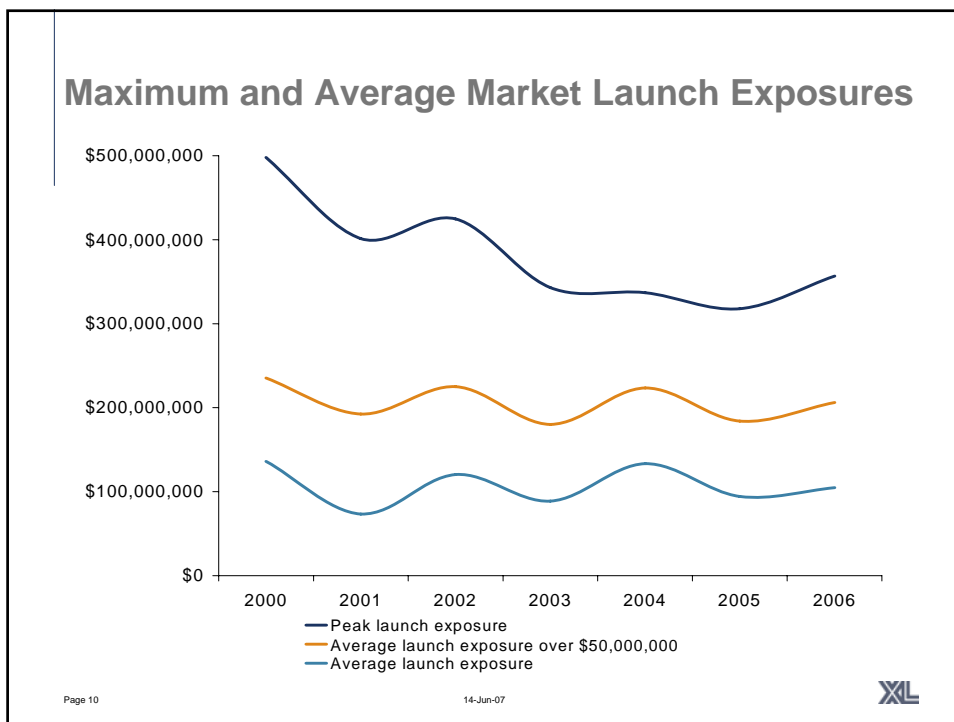
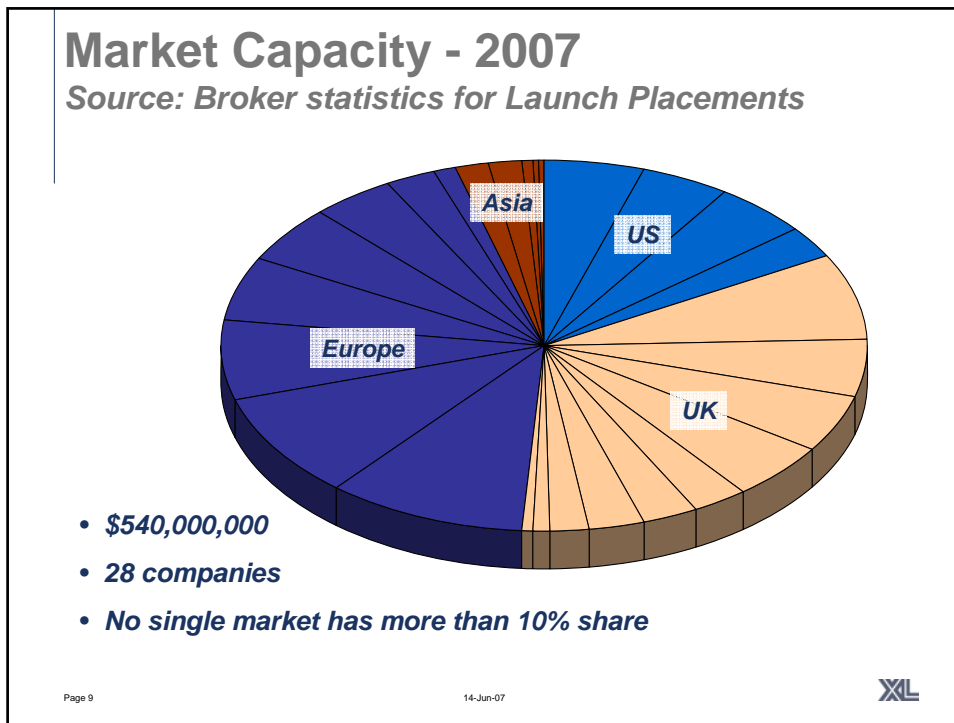
Characteristics of Space Insurance

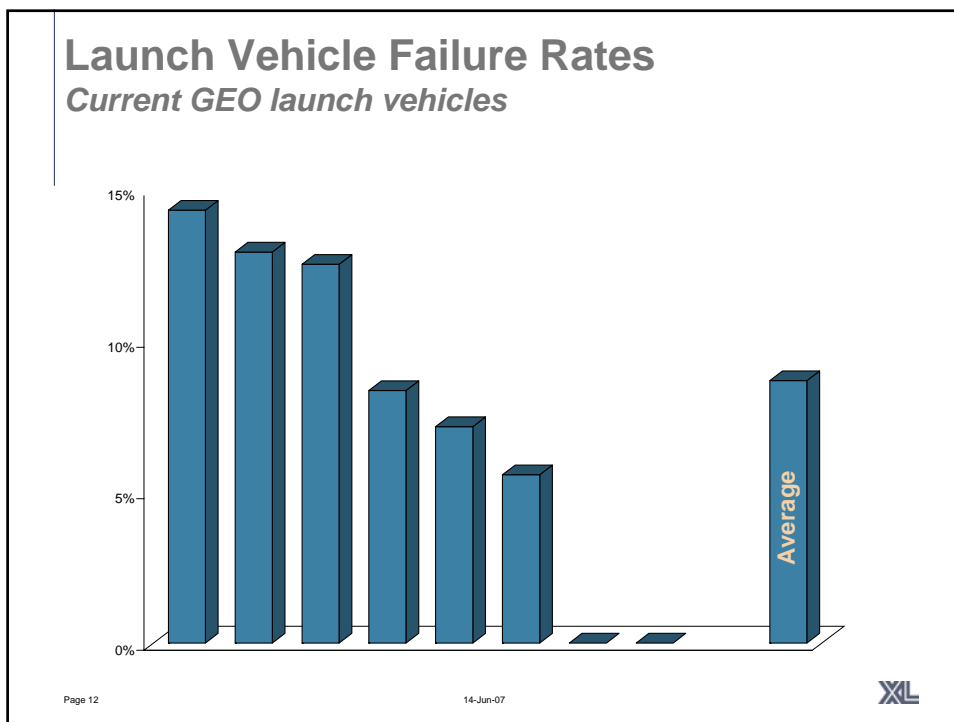
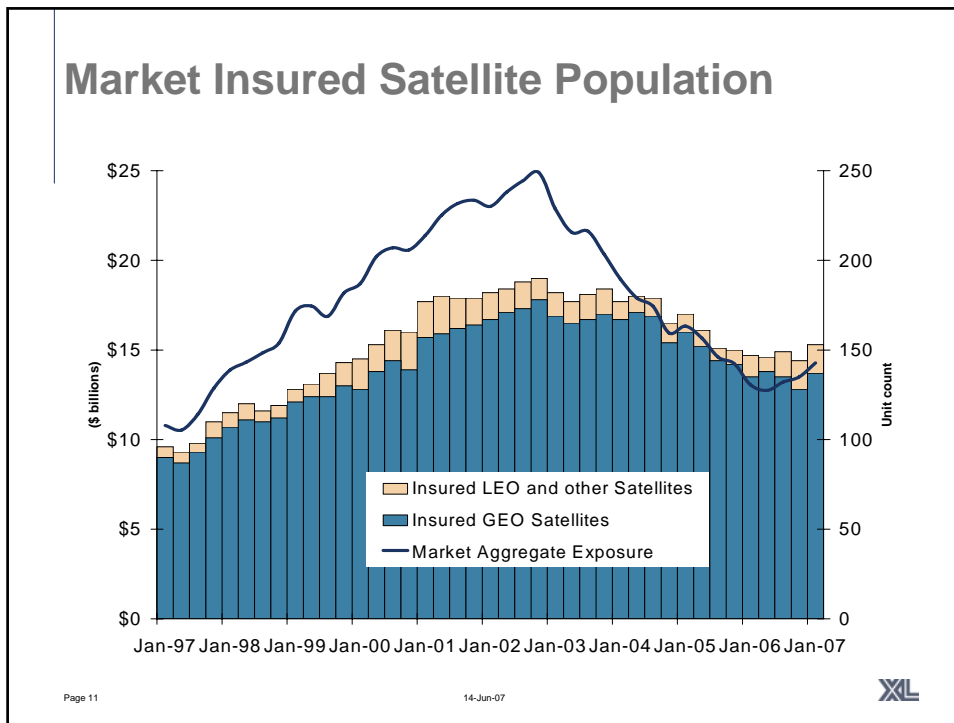
- Constantly changing technology
- Each risk is unique
- “Generic” or “serial” nature of anomalies
- Volatility of underwriting results

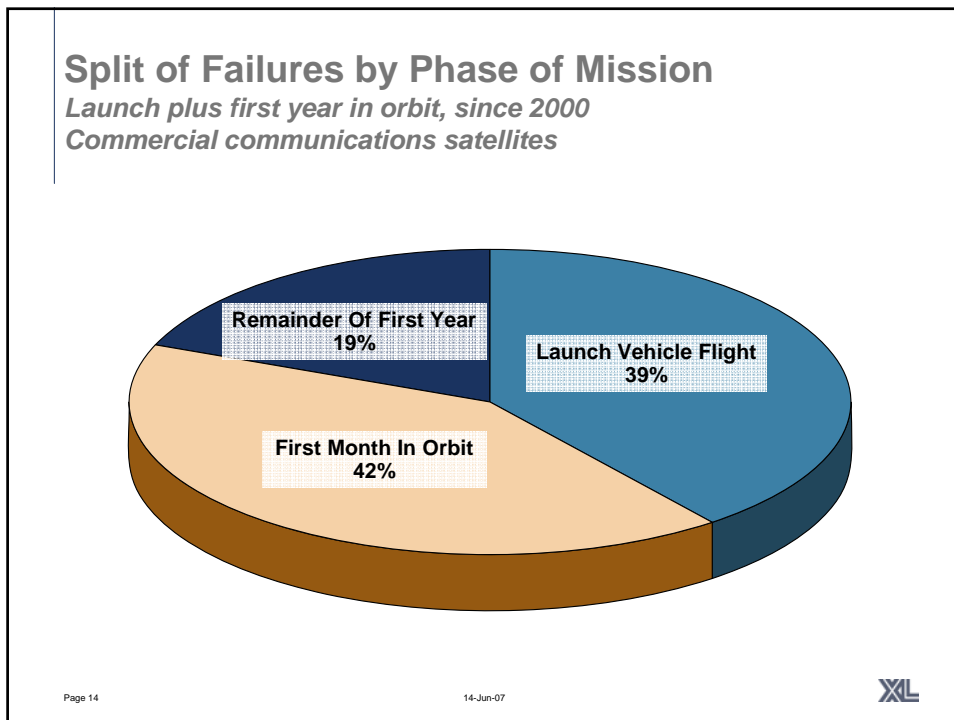
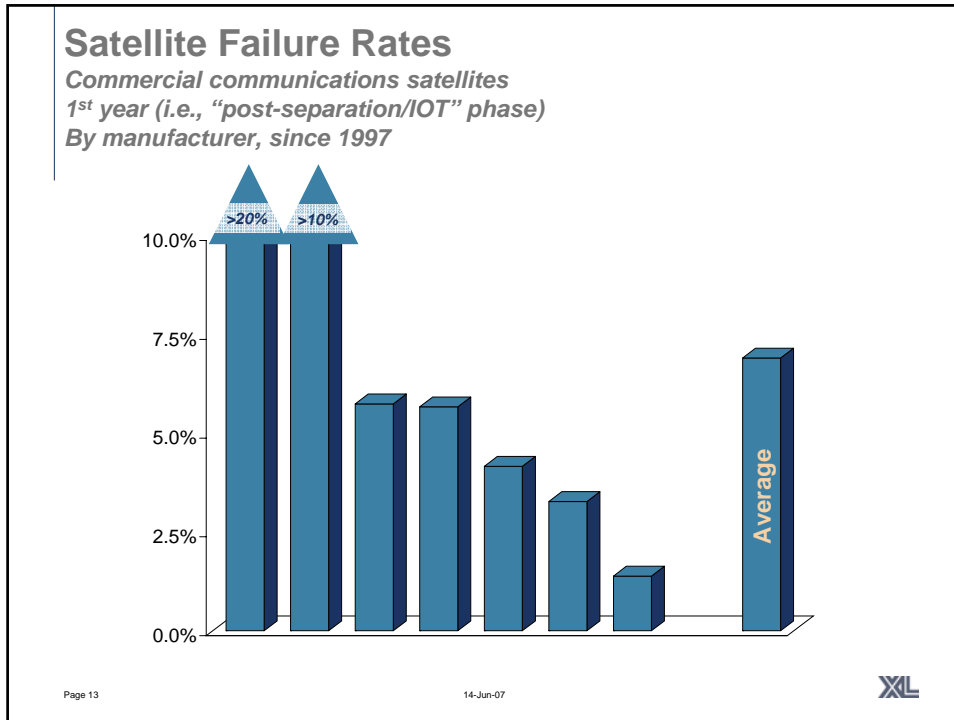
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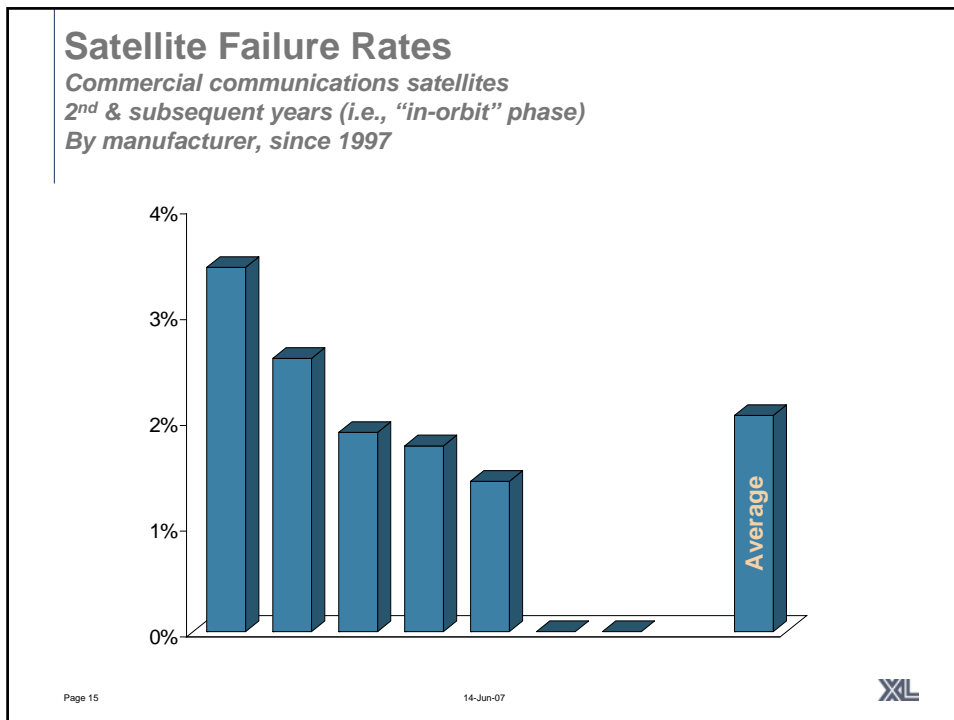




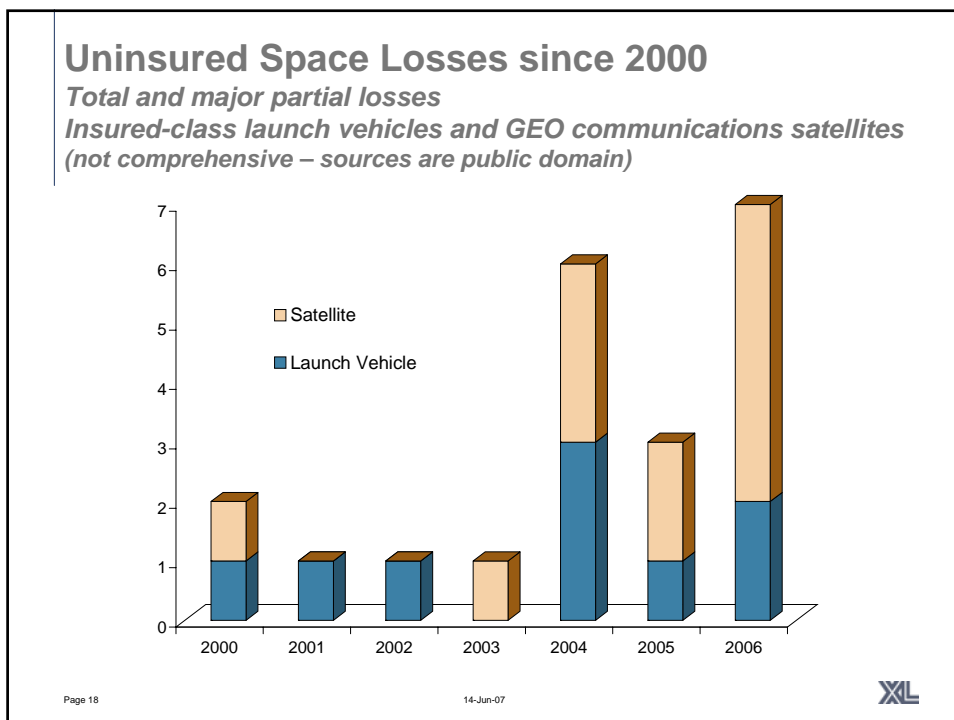
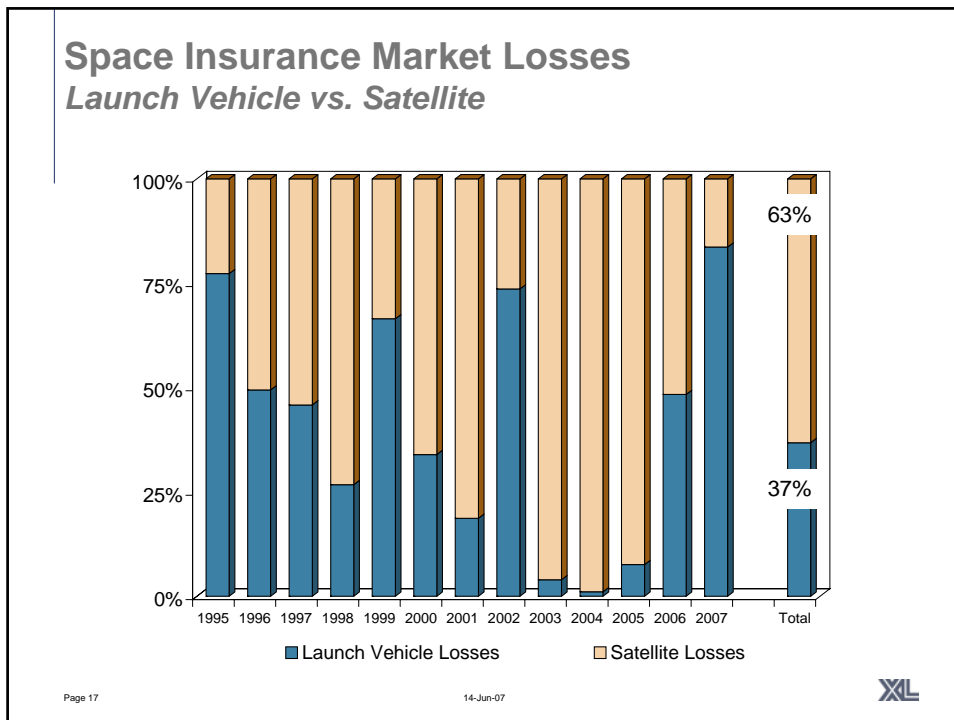


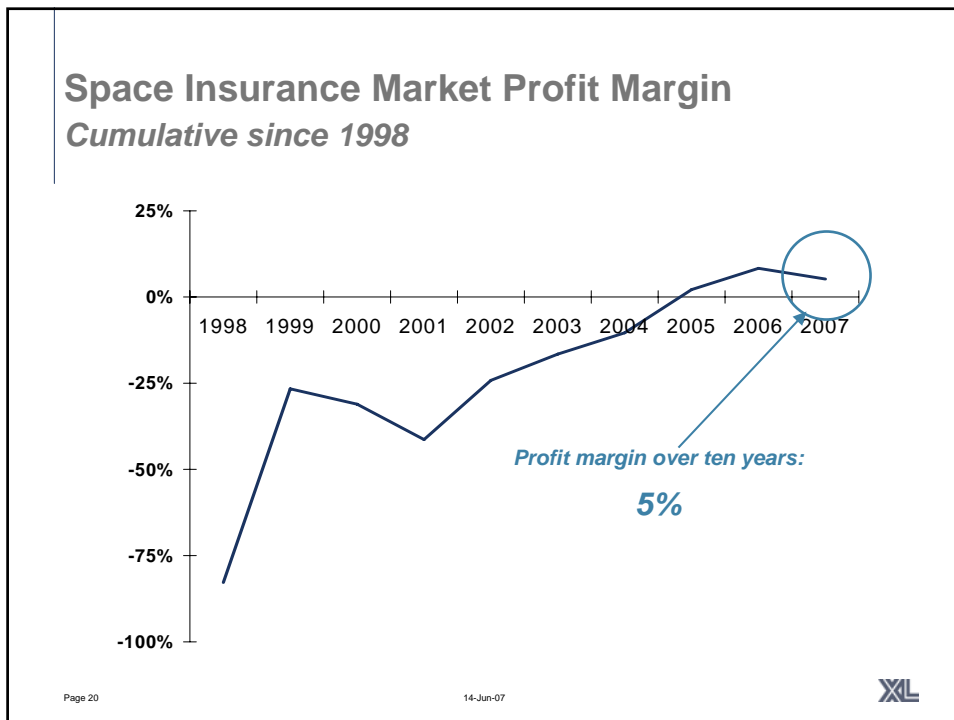
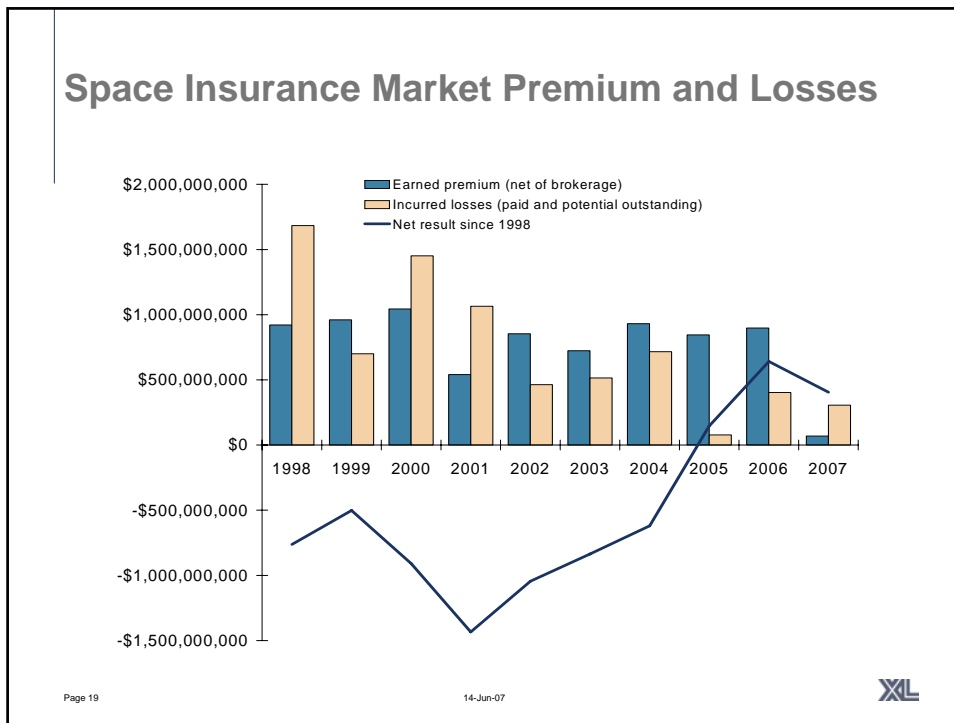


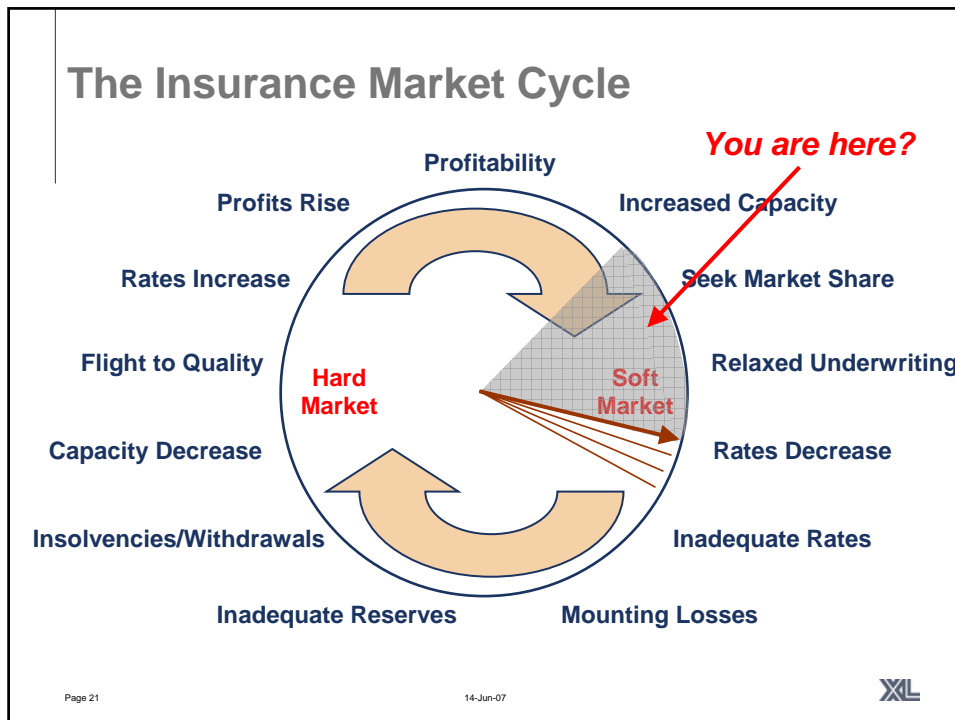




- ### Revolutionary Technologies
- How They Performed*
- What has worked (*so far!!!*)...
 - Lithium ion batteries
 - Complex on-board payload processors
 - Active antennas
 - What has not worked (*in some cases*)...
 - Higher power solar arrays
 - 12 wing failures in 6 years, plus dozens of string/circuit failures
 - Ion propulsion
 - NiH₂ batteries
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The Good News...

“If we haven’t reached the bottom of the market, we’re going to find it!”

– a space broker, 16 March 2007

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