

SPACEPORT INSURANCE FOR A CATASTROPHIC LAUNCH FAILURE

MELISSA K. FORCE
General Counsel, Spaceport America

The catastrophic detonation of a SpaceX rocket during pre-launch tests at Cape Canaveral, Florida in 2016 and the explosion of an Antares rocket operated by Orbital ATK three seconds into launch at Virginia's Mid-Atlantic Regional Spaceport (MARS) in 2014 brought to light the importance of launch insurance and the disastrous consequences resulting from the failure of ensuring sufficient coverage. A report by the NASA inspector general in the aftermath of damage to the MARS facility indicated that the policy actually in effect covered only damage from aviation operations and explicitly excluded spacecraft and launch vehicles. Thus, it should not have been surprising that the U.S. Government Accountability Office, under a provision of the 2015 Commercial Space Launch Competitiveness Act, reported that operators of launch sites licensed by the FAA are often puzzled about whether and how their facilities are covered by insurance in the event of an accident. The investigators interviewed nine of the ten FAA-licensed spaceports and found that a majority either encountered difficulties in obtaining insurance for commercial launches or expressed concerns about their affordability and, in any event, were uncertain about whether they even needed coverage due to an interpretation of whether they were or were not "involved parties" (requiring insurance) or "third parties" (covered by the launch provider's policy). I propose to evaluate and analyze the lack of consensus among launch site providers and insurers as to whether there is a need to change the current insurance approach, in which insurance for spaceports is not required but can be negotiated between launch companies, who operate launch vehicles, and spaceport operators, who run spaceports.