



International Union of Aerospace Insurers (IUAI) Space Risks Study Group

Members Conference 30 May – 1 June 2022





IUAI International Union
of Aerospace Insurers

NEW SPACE - NEW INSURANCE

Insurance implications of Financing and Technology evolutions

Pascal Lecointe (HISCOX)

Contents

1. Space financing revolution
 - A. A surge in investments
 - B. Financing options
 - C. Insurance role
2. Technology evolution
 - A. Small(er) satellites
 - B. Constellations
 - C. Software defined flexible satellites
3. Conclusions



Historical Space Financing

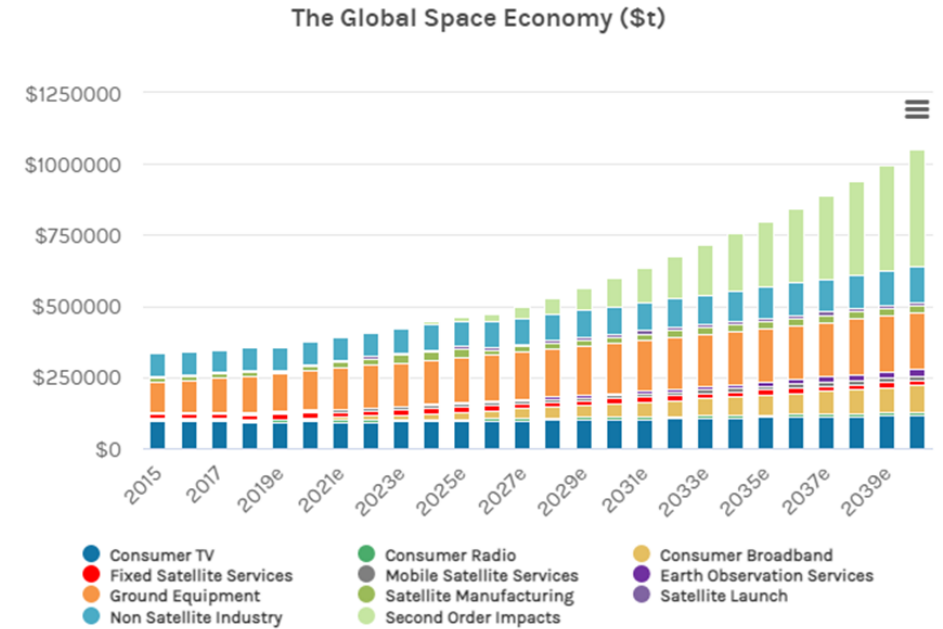
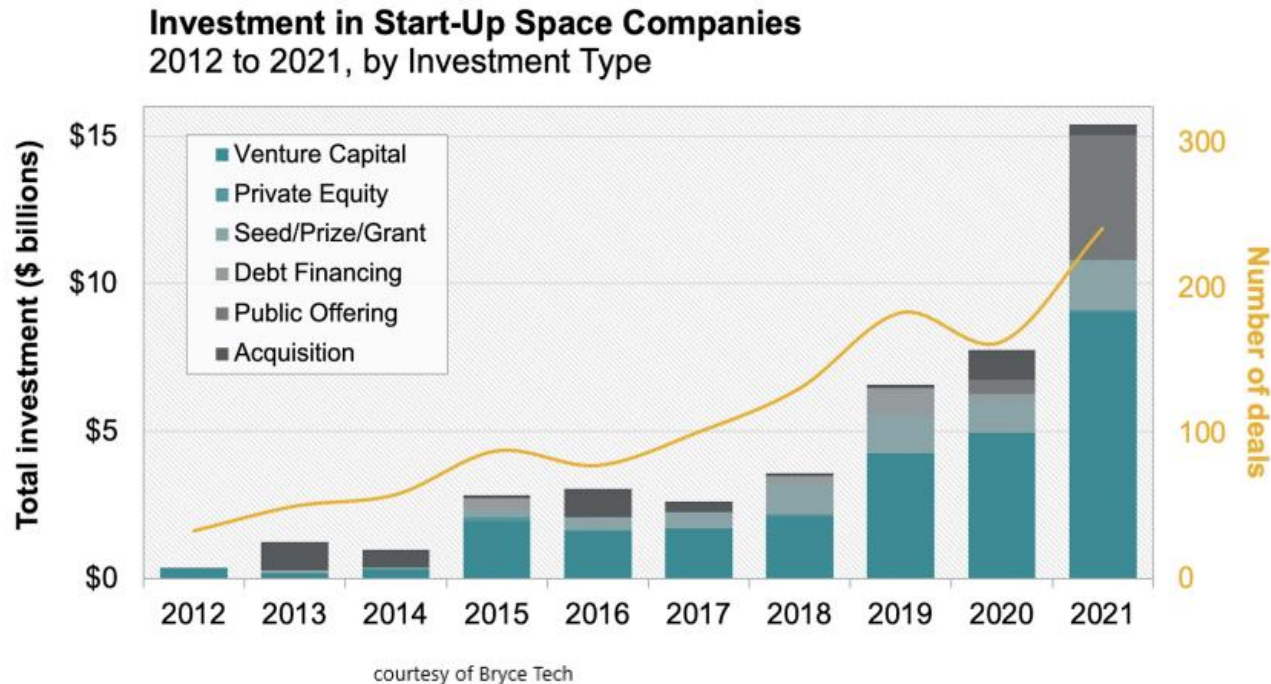


New Space



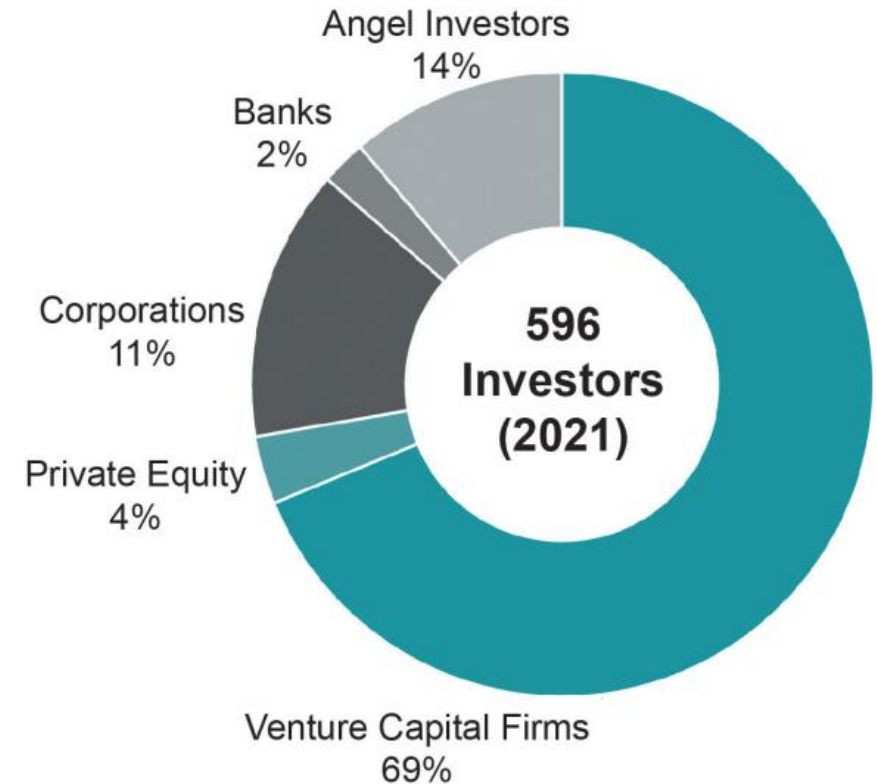
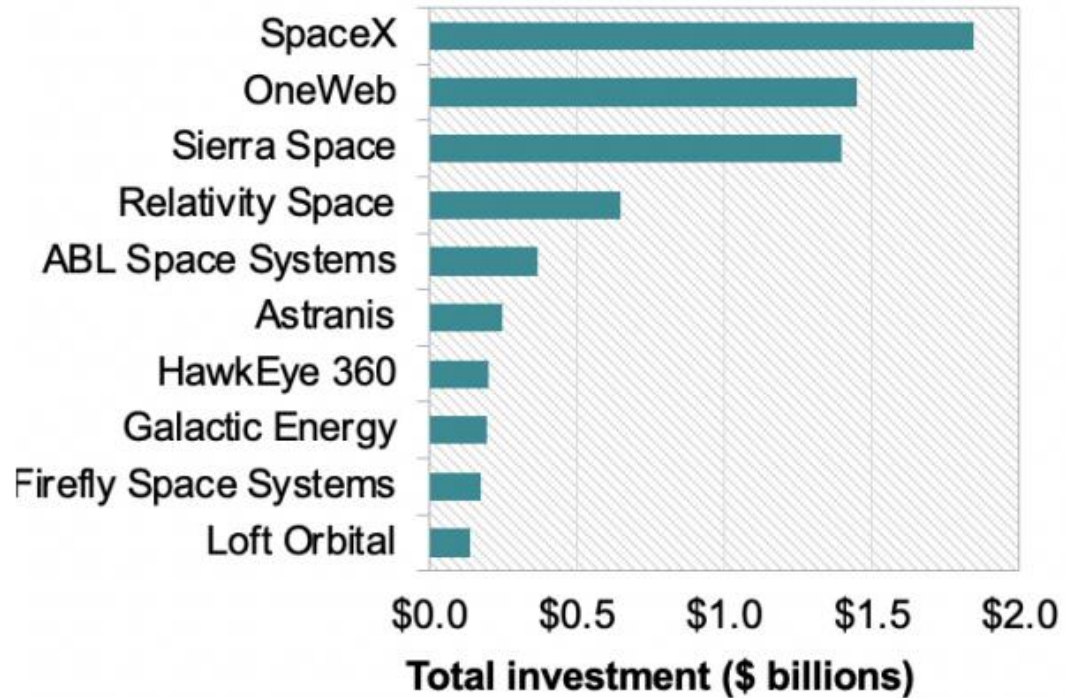
Space : the new gold rush to a 1 trillion economy

Figure 1: \$15.4 billion invested in 2021 across 241 deals



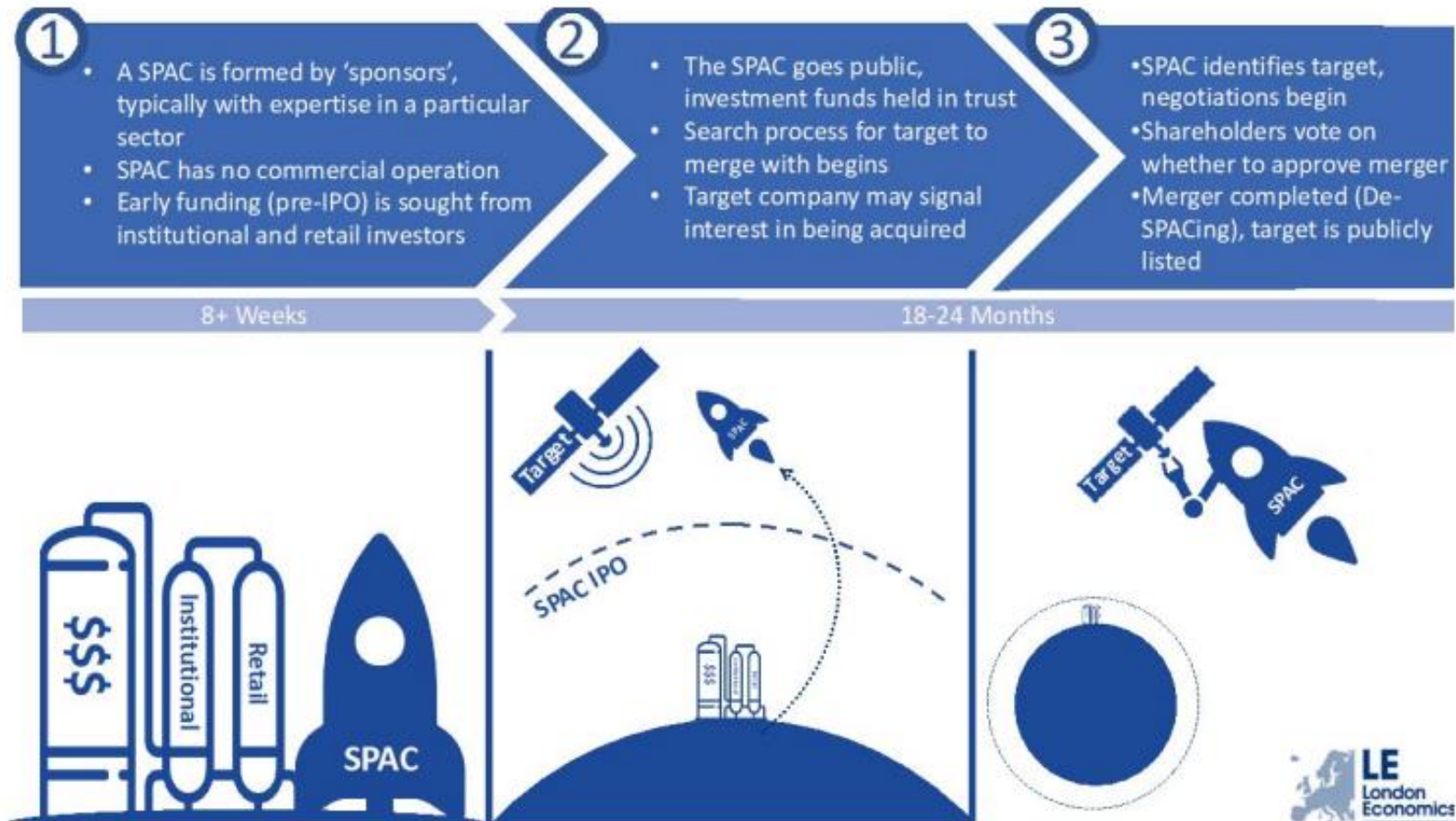
Venture Capital / Angel Investors

**Top VC Investment Recipients
2021, by Recipient**



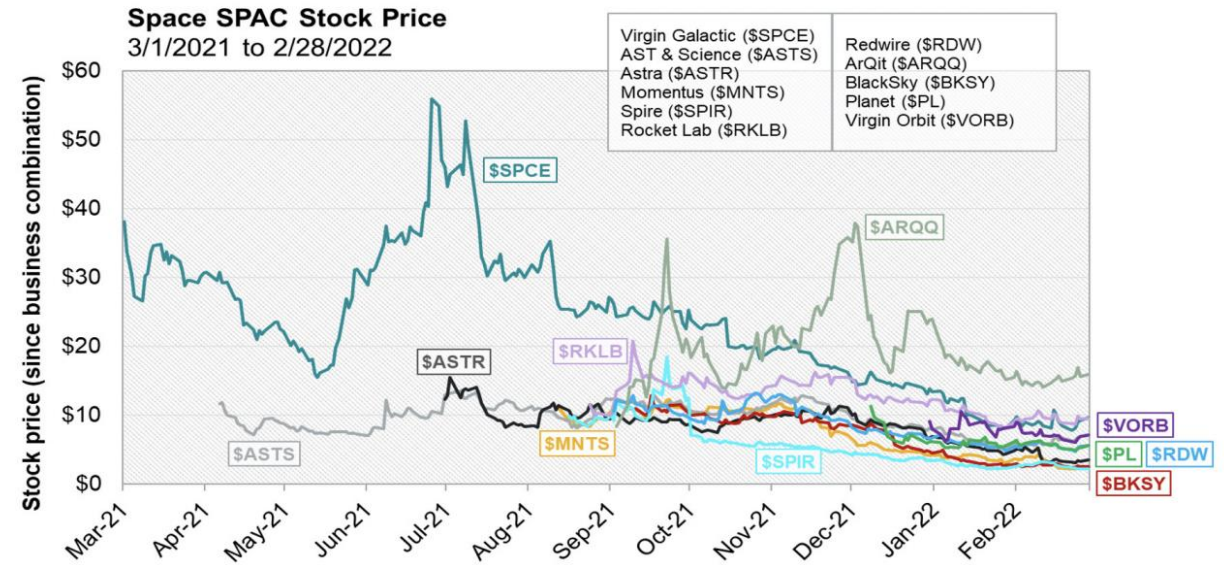
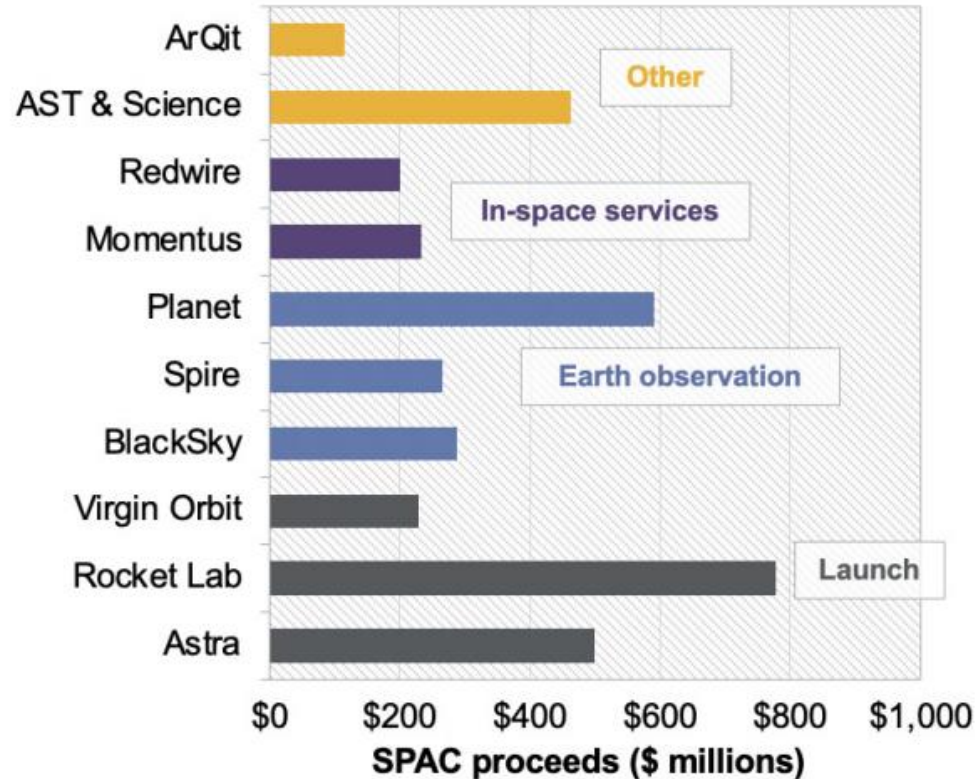
- Risk management mostly through diversification

SPACs / Public offering (1)



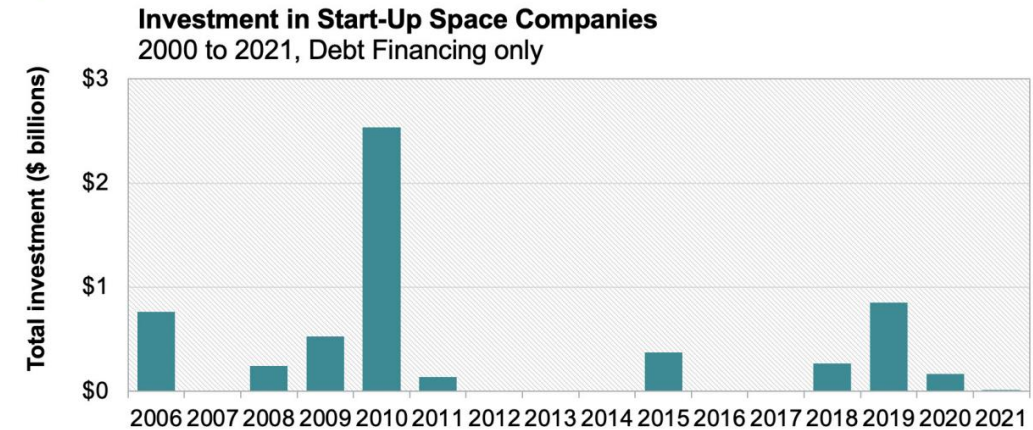
SPACs / Public offering (2)

**SPAC Proceeds (net of redemptions)
2021, by Recipient**



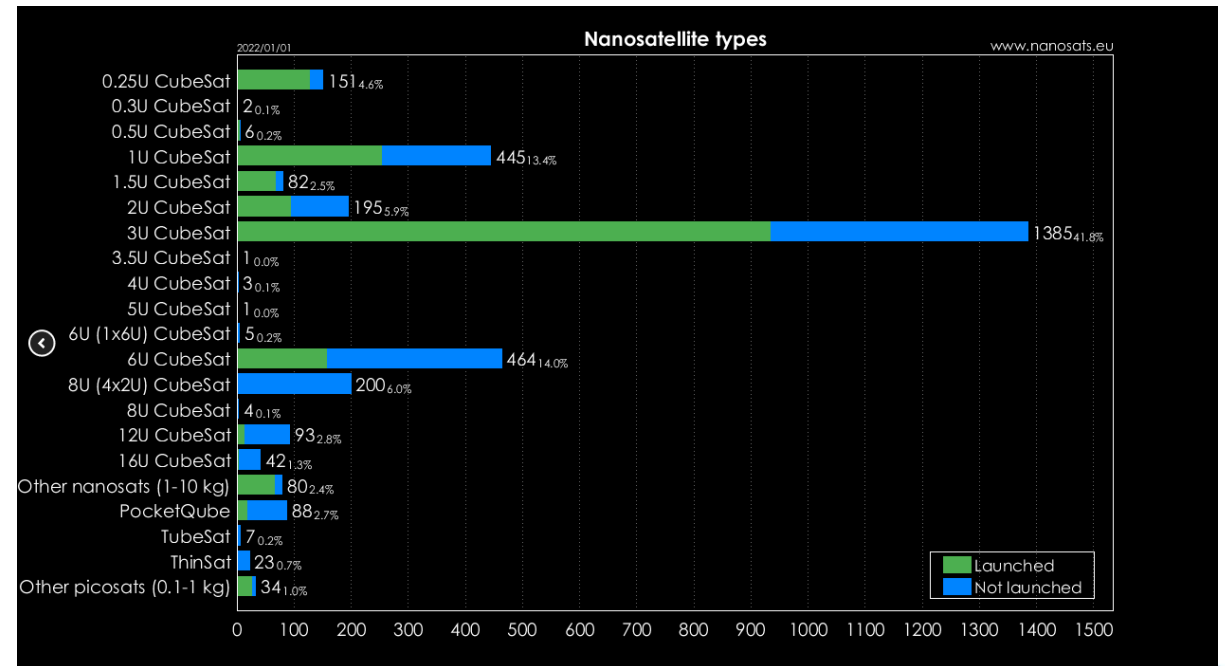
Private Equity / Corporations / Banks

- Historical / traditional Space Finance scheme
- Growing appetite of historical players Boeing (Millenium), Airbus (SSTL / Oneweb), Lockheed Martin (Rocket Lab)
- Debt financing low for startup
- 2019 : Kacific
- 2020 : Astranis and OneWeb



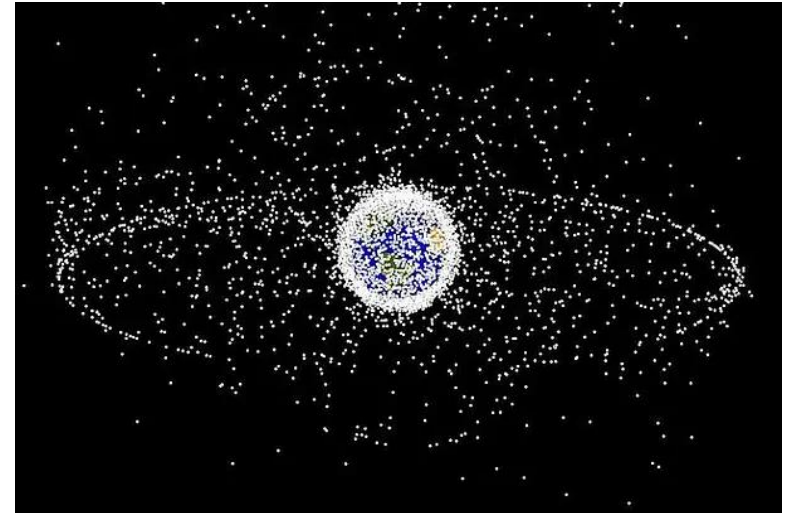
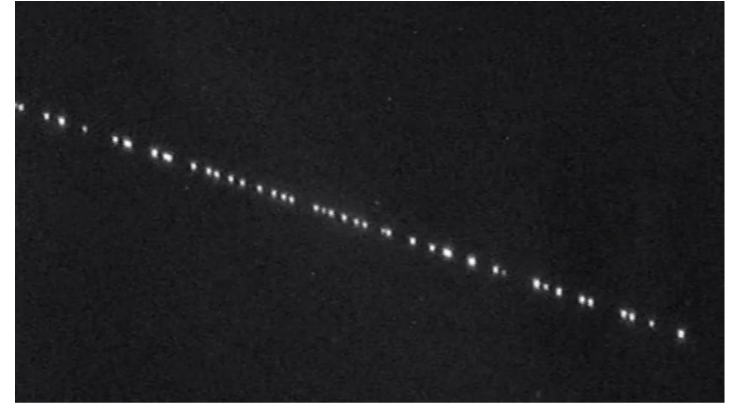
Technology Evolution – Product evolution

- Smaller satellites + reduced launch costs : much lower sums insured (3U 6U)
- One single insurer
- No distinction launch and pre launch
- Distribution challenge



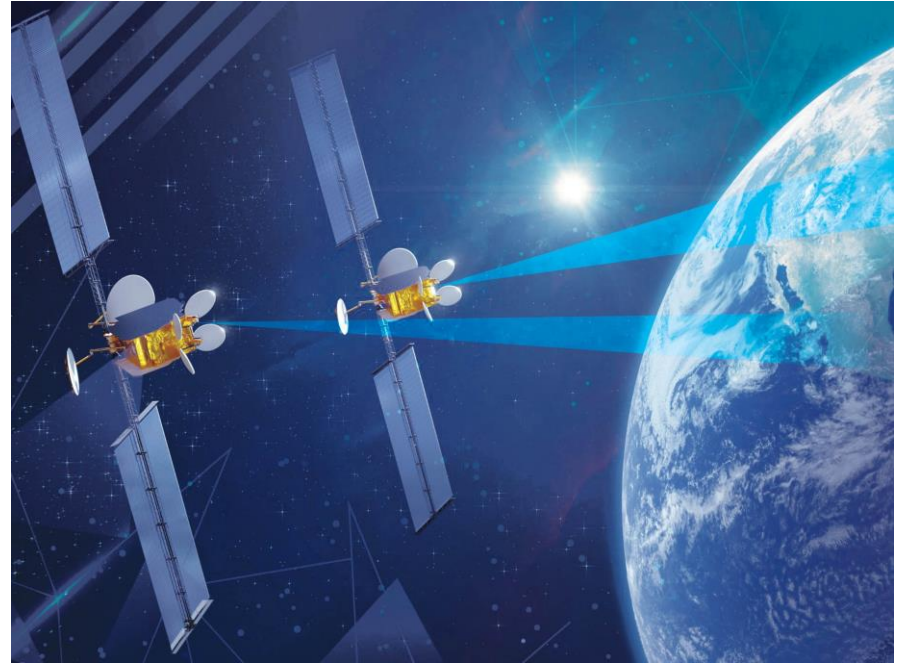
Constellations

- One size does not fit all
 - Starlink → 0
 - OneWeb → launch
 - Kuiper → ?
- Opportunity or threat ?
- Amazon 3236 satellites in 5 years
 - 34 Atlas V
 - 18 Ariane 6
 - 12 New Glenn + 15 options



The Future of GEO

- Software defined satellites
- More flexible –5yrs vs 15 yrs ?
- Move to a leasing company model ?
 - Frequency rights maybe n issue
- 2nd hand market a possibility - salvage



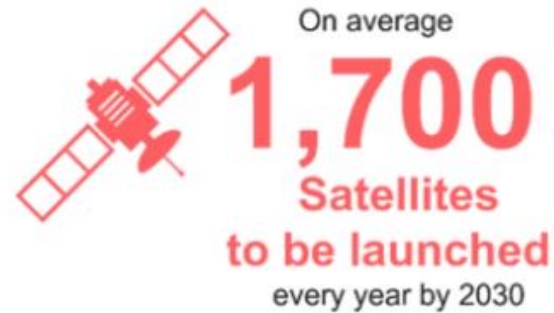
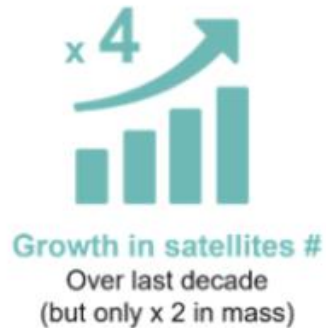
Conclusions

- Space industry bright future
- Space insurance will need to adapt
 - GEO will continue
 - Small Sats call for specific answers
 - Finance will ultimately move from VC to debt financing
- Maybe evolving towards different and/or complementary portfolios

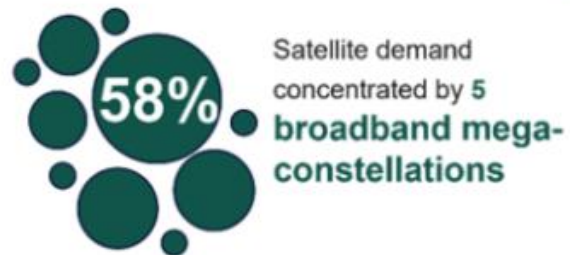


Space : the new gold rush to a 1 trillion economy

2021-2030 TRENDS FOR THE SATELLITE INDUSTRY



according to **Euroconsult**
Satellites To Be Built & Launched By 2030
24th Edition





IUAI International Union
of Aerospace Insurers

