

MARSH



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J. B. Boda Reinsurance Brokers Pvt. Ltd.

# Risk management for commercial space ventures

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- Overview of J B Boda and Marsh
- Introduction to Space Insurance products available
- Approach to insuring new technology



## **J B Boda Reinsurance Brokers Pvt. Ltd.**

- **J. B. Boda Group was established in 1943**
- **J. B. Boda Reinsurance Brokers Pvt. Ltd. Incorporated in 2003 are the largest international reinsurance broker in India**
- **Employees 850 people in India in 23 offices**
- **Associated companies in London, Hong Kong, Singapore and Kuala Lumpur**
- **Multi disciplined broker with insurance and reinsurance capabilities**
- **Specialise in satellite and aviation insurance and reinsurance**

## Marsh & McLennan Companies (MMC)

### ■ **MMC**

- Global professional services firm with annual revenues of approximately \$12 billion. Active sectors include:
  - **Marsh – Risk and Insurance Services**
  - Guy Carpenter - Reinsurance Services
  - Mercer Inc – Consulting, Outsourcing and Investments
  - Oliver Wyman – Management Consulting and Advisory Services

### ■ **Marsh**

- Employs nearly 26,000 individuals
- 410 locations in over 100 countries including India
- Parent company of Marsh Space Projects

## Marsh Space Projects : Overview

- Pioneer of space insurance broking, formed 1977
- Global Space Projects office network
  - London (plus Singapore representative office)
  - New York (plus Washington representative office)
  - Paris (plus Moscow representative office)
- Multi disciplined team
  - Broking, Engineering, Legal, Account Management, Claims
- Marsh Space Projects philosophy
  - Client focused approach to business
  - Professional advice
  - Delivering competitive and comprehensive results
- Deliver what we say we will deliver

J B Boda and Marsh have arranged insurance and reinsurance for the launch of 15 different Department of Space / ISRO satellites

# Space Insurance Products

## LAUNCH

L - 2 years

L - 30 days

L - 3 seconds

L + 30 minutes

L + 90 days

L + 12 months

Timeline



## Launch + 1 year in orbit insurance

- **Covers the riskiest part of the mission**
- **Cover to reinstate cost of ...**
- **Launch insurance premium calculated on the insured items**
- **Launch + 1 year insurance premium typically 3<sup>rd</sup> largest project cost but price dependant on type of satellite/launch vehicle and position in the market cycle**



## Insuring new technology?

- With greater risk, premium will increase and available capacity reduce
  - 60% of first flight launch vehicles since 1990 have failed (source: Spacetrak)
- Space industry moves rapidly with technological advances – inevitable that commercial operators will be required to be a part of this progression
- Operators' view - new technology can bring competitive advantage but must be balanced with Operators' overall attitude to project risk
- What are the most effective strategies for procuring the best terms and conditions within the insurance market?

## Risk Management Strategies for insuring new technology

**Be fully prepared to go to market at the optimum time**

**Develop partnership approach with underwriters**

**Early broker appointment**



**Minimise your insurance exposures through risk transfer**

**Prepare a comprehensive technical presentation**

**Maximise your risk marketing potential**

## Technical Information

- High quality and comprehensive technical information is key
- Full transparency of new technology and past failures
- Reasons for the design change or new part
- Heritage is a critical part of insurers risk assessment
  - Military / Governmental, previous models, other applications
- Detailed information of general approach to risk mitigation and processes involved:
  - Quality Control / Product Assurance
  - Testing
  - Qualification
- Personnel: Engineers involved, experience, lines of communication, anomaly reporting
- Underwriter market tour of facilities
- Progress updates

## Conclusion

- Space insurance is an effective method of managing risk
  - Established products available, with insurers whose claims paying track record is proven
- Space insurance market is small but innovative
  - where clients have an insurable interest, market will look to insure (within certain limits)
- New technology can be insured in the market, but the correct approach to the placement is critical
  - The provision of technical information and transparency are key
- Marsh has been involved in the vast majority of all insured Indian satellite programmes and are happy assist in your risk transfer needs

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