

New frontier for insurance: Space travel

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Space may not be the final frontier, but it's almost certainly the next one. In the wake of the shutdown of NASA's space shuttle program, the field is wide open for citizen space travel — both for flights that offer a few minutes of zero gravity and for flights to far-away space stations.

Richard Branson's [Virgin Galactic](#) has made a major bet on the human urge to break the bonds of gravity. The London company is planning its first commercial space flights for October 2012. The price tag for a few minutes in space: about \$200,000 a person, with the deposit set at \$20,000. The International Space Travel Association says hundreds of space-travel tickets already have been sold to eager earthlings.

But who will insure these space invaders? After all, if you buy insurance for a trans-Atlantic cruise, wouldn't you be wise to insure a trip that costs as much as a house and poses perhaps more dangers than earthbound travel? Germany's Allianz Global Assistance thinks the answer is "yes."

Coverage for space invaders

In partnership with the [International Space Travel Association](#), Allianz recently launched a space-travel insurance program. Coverage will be available for space tourists, space scientists and even spacecraft.



The Virgin Galactic is set to take earthlings into space in 2012.

Erick Morazin, Allianz's director of global accounts, tells Reuters that a basic space-travel policy should start around \$700, with a deluxe policy costing as much as \$10,000.

"Typically, the price of an insurance policy is around 3 to 4 percent of the total trip cost. So if we were covering the cancellation of a trip, the loss incurred by the customer would be \$20,000 — the price of the deposit — so the cost of the policy would be around \$700," Morazin tells Reuters.

The potential for space-travel insurance certainly is impressive: An International Space Travel Association forecast predicts as many as 50,000 space flights carrying six private passengers each in 2015. That's as many as 300,000 would-be astronauts.

“We already have potential customers calling us, and have many followers on Twitter and Facebook reacting very positively,” Morazin tells InsuranceQuotes.com.

Star wars

So far, Allianz is the only company to enter the space-travel insurance business. “We expect to be the global leader of the space travel insurance business,” Morazin says.

Allianz soon may have a competitor for insurance for space travel, though. Elseco Ltd., a Dubai-based space-risk analysis and underwriting company, has been looking into space-travel insurance. The company’s co-founding director, Laurent Lemaire, proclaims that “orbital tourism will be a significant part of Elseco’s business in the next decade.”

“The only boundaries to the future of space travel for non-astronauts are our technical capabilities to develop safe, innovative space technologies,” Lemaire says.

Health care in space

Allianz’s coverage will include medical insurance, trip-cancellation insurance and even [luggage insurance](#). Families of space travelers will be covered as well; for instance, psychological care would be paid for if a relative literally became lost in space, according to Morazin.

For space travelers, medical concerns surely will be top of mind. But those concerns haven’t been fully evaluated, says Jeffrey Sventek, executive director of the [Aerospace Medical Association](#).

“Space travelers will be in a sealed spacecraft and protected from the extreme environmental conditions,” Sventek says. “However, they will be exposed to micro-gravity conditions. With this in mind, will people with cardiovascular conditions be allowed to travel into space? What about protecting the tourists against space-specific medical issues like ‘space sickness’?”