

The space data revolution

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The space data revolution is creating a variety of opportunities for insurers to enhance their understanding of the natural risks on earth that their customers are subjected to.

Since the 1950's there have been approximately 10,000 satellites launched into orbit. Due to commercial satellite operators using the advanced technology available and responding to an increasing demand for services, this number is due to increase substantially to 70,000. For instance, Elon Musk's Starlink project plans to launch a 'mega constellation' of up to 42,000 satellites alone.

In recent years as technology has advanced, satellite data has become a vital instrument for insurers. Satellites are becoming smaller, more economical, and stronger, with the average cost of manufacturing and launching a satellite into orbit being a third of what it was in the 1990s, according to EY. Satellites have advanced structurally as well as technologically, with the ability to use optical sensors that provide more detailed views of the Earth's surface and human activities, and hyperspectral sensors that analyse data of air, soil, and water. On Earth, cloud services and artificial intelligence are used to extract insights and value from space data.

Data from satellites can help insurers to implement their knowledge and resource earlier when anticipating and reacting to natural disasters such as wildfires or major earthquakes. For example, Earth Blox uses data from the California wildfires in 2020 from NASA and cross references such data with data from the European Space Agency on land cover, to gain a more specific understanding of how wildfires are affecting this area. The increase in accessibility of satellite data also enables insurers to take earlier action to mitigate losses and accelerate claims.

The transformation the insurance industry is undergoing with the help of satellite technology, provides insurers with unparalleled capabilities and insights. By utilising satellite data, insurers can enhance their risk assessment, simplify insurance claims processing, and provide customised insurance policies, resulting in increased benefits for their customers.

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