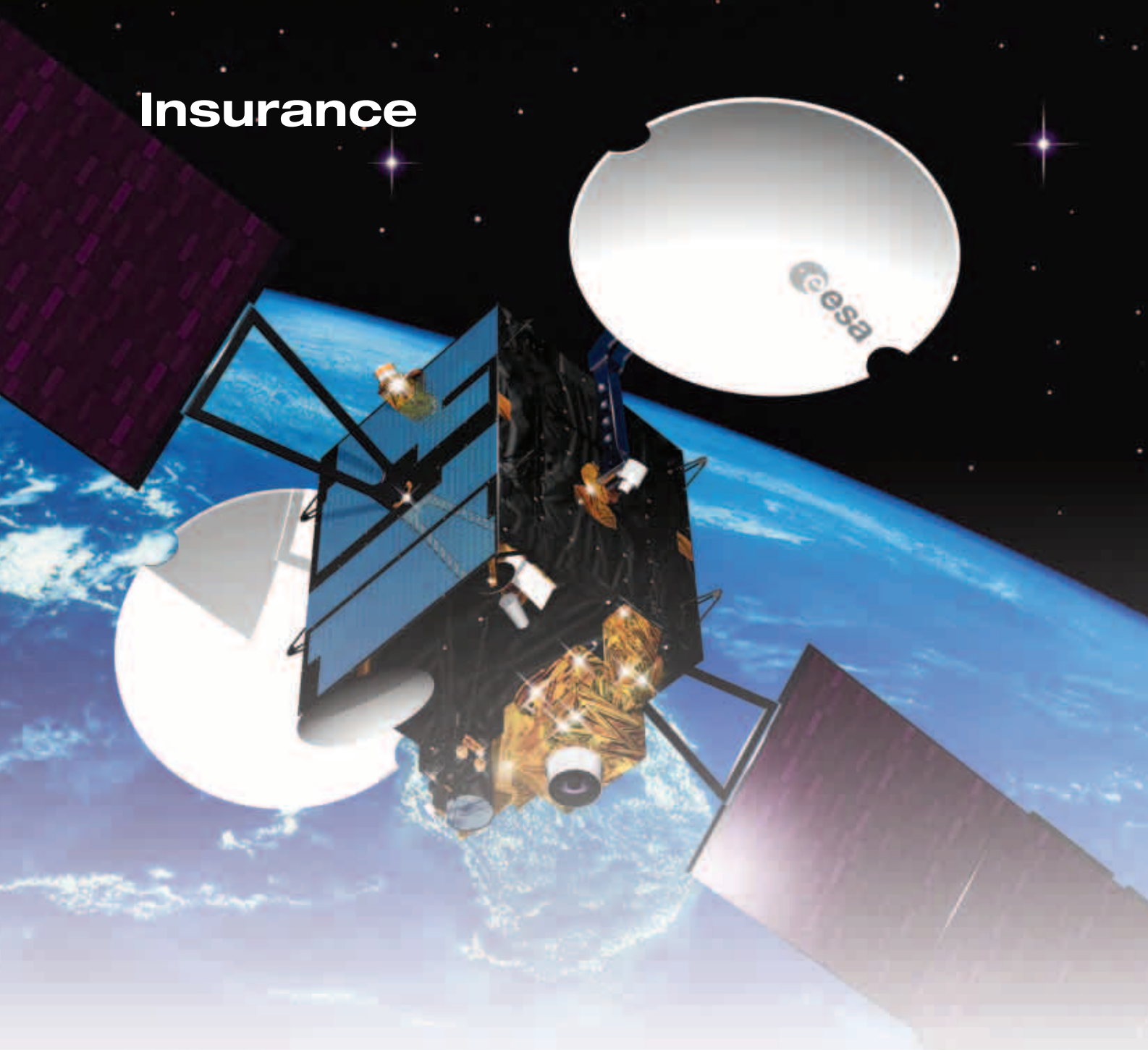


Insurance



The Artemis spacecraft

The fact that the Agency is a legal entity means it can be held accountable for any damage caused in the carrying out of its activities. While Programme Directorates remain responsible for managing the risks associated with the execution of their particular programmes, a great number of the risks are of a 'corporate nature'. In both cases insurance coverage represents a valid and effective risk-management tool to mitigate, if not fully cover, these risks.

ESA has therefore put in place a number of insurance coverage schemes. They include a third-party liability insurance, a negotiated multi-year launch insurance, property insurance covering all ESA Establishments and outstations, comprehensive all-risk coverage for

the Ariane launcher installations, as well as a specific insurance scheme covering the European astronaut activities.

The successful finalisation, in 2003, of the discussions with insurers regarding the settlement following the problems with the Artemis satellite once again highlighted the importance of appropriate coverage as a tool for reducing the adverse impact of a launch failure.

In addition to the usual process of renewing and adapting ESA's insurance policies and coverage, the potential needs of several future ESA projects were addressed during the year with the aim of proposing the most appropriate cover.