

Can Space Tourists Get Life Insurance?



Aaron Crowe | 24 Nov, 2014 |

The Oct. 31 [crash](#) of a Virgin Galactic rocket that killed a pilot hasn't stopped the company from continuing its quest to offer space tourists a chance to see the Earth from above, giving potential riders a chance to reconsider their [life insurance options](#).

While life insurance might be the furthest thing from any space tourist's mind, a loophole that allows current life insurance policyholders to retain such coverage if they fly into space remains, though the insurance industry may look to close it.

Skydivers, pilots and people with other high-risk jobs or hobbies must buy extra coverage on their [life insurance policies](#). Space tourists, however, who either already have life insurance or are applying for a policy don't have to mention their upcoming trip to space because insurers either don't ask about space tourism or don't exclude it from coverage.

The loophole means they'd likely have to pay if the policyholder died on a space trip.

There are little or no established life underwriting guidelines specifically for space flight, and such activity would probably be covered under common aviation clauses and exclusions, says Rob Drury, executive director of the Association of Christian Financial Advisors.

"For a life insurance company to deny coverage for space travel would require a specific exclusion of such activity," Drury says. "If the current treatment of aviation activities is an indication, the greater likelihood is that a proposed insured would be underwritten at a higher risk class."

Once a policy is issued, death benefits must be paid for any death regardless of cause, unless there is a finding of fraud, misrepresentation, or suicide within the policy's contestability period of the first two policy years in most states, he says.

Coverage is provided by omission, meaning the underwriter doesn't ask about an applicant's plans to fly into space.

"If someone wants to run the bulls at Pamplona, his insurer might not like it, but they must pay in the event of death if the activity isn't specifically excluded," Drury says.

Astronauts are rated at \$10 per \$1,000 of coverage in addition to their approved rate based on amount of coverage, age and other factors, says Ellen Davis, president of [Life Health Home Insurance Group, LLC](#). Space tourists can't buy coverage yet, Davis says.

However, if the insurer doesn't ask an applicant about space travel, then it would be covered under travel outside of the United States, she says.

Virgin Galactic's SpaceShipTwo crashed during a test flight. The craft is designed to carry six passengers on two-hour suborbital flights that offer a few minutes of weightlessness. The company announced after the crash that it plans to continue selling tickets at up to \$250,000 per seat.

The good news is that while flying in a rocket sounds risky, even for insurers, not many people have died riding into space. No one has died in suborbital manned flights. There have been three fatal orbital space shots, including the space shuttles Challenger and Columbia with 14 deaths, and a Soyuz flight that killed one person.

Mention that to your underwriter next time you're [applying for insurance](#) as a space tourist.

Aaron Crowe is a freelance [journalist](#) who specializes in content about personal finance and insurance.