claims by the United States, its agencies, and its contractors and subcontractors involved in a licensed or permitted activity for property damage or loss resulting from a licensed or permitted activity. Property covered by this insurance must include all property owned, leased, or occupied by, or within the care, custody, or control of, the United States and its agencies, and its contractors and subcontractors involved in a licensed or permitted activity, at a Federal range facility. Insurance must protect the United States and its agencies, and its contractors and subcontractors involved in a licensed or permitted activity.

(e) The FAA will prescribe for each licensee or permittee the amount of insurance required to compensate claims for property damage under paragraph (d) of this section resulting from a licensed or permitted activity in connection with any particular launch or reentry. The amount of insurance is based upon a determination of maximum probable loss; however, it will not exceed the lesser of:

1. $100 million; or
2. The maximum available on the world market at a reasonable cost, as determined by the FAA.

(f) In lieu of a policy of insurance, a licensee or permittee may demonstrate financial responsibility in another manner meeting the terms and conditions for insurance of this part. The licensee or permittee must describe in detail the method proposed for demonstrating financial responsibility and how it ensures that the licensee or permittee is able to cover claims as required under this part.

§ 440.11 Duration of coverage for licensed launch, including suborbital launch, or permitted activities; modifications.

(a) Insurance coverage required under § 440.9, or other form of financial responsibility, shall attach when a licensed launch or permitted activity starts, and remain in full force and effect as follows:

1. Until completion of licensed launch or permitted activities at a launch or reentry site; and
2. For orbital launch, until the later of—
   (i) Thirty days following payload separation, or attempted payload separation in the event of a payload separation anomaly; or
   (ii) Thirty days from ignition of the launch vehicle.

3. For a suborbital launch, until the later of—
   (i) Motor impact and payload recovery; or
   (ii) The FAA’s determination that risk to third parties and Government property as a result of licensed launch or permitted activities is sufficiently small that financial responsibility is no longer necessary. That determination is made through the risk analysis conducted before the launch to determine MPL and specified in a license or permit order.

(b) Financial responsibility required under this part may not be replaced, canceled, changed, withdrawn, or in any way modified to reduce the limits of liability or the extent of coverage, nor expire by its own terms, prior to the time specified in a license or permit order, unless the FAA is notified at least 30 days in advance and expressly approves the modification.

§ 440.12 Duration of coverage for licensed reentry; modifications.

(a) For reentry, insurance coverage required under § 440.9, or other form of financial responsibility, shall attach upon commencement of licensed reentry, and remain in full force and effect as follows:

1. For ground operations, until completion of licensed reentry at the reentry site; and
2. For other licensed reentry activities, 30 days from initiation of reentry flight; however, in the event of an abort that results in the reentry vehicle remaining on orbit, insurance shall remain in place until the FAA’s determination that risk to third parties and Government property as a result of licensed reentry is sufficiently small that financial responsibility is no longer necessary, as determined by the FAA through the risk analysis conducted to determine MPL and specified in a license order.

(b) Financial responsibility required under this part may not be replaced, canceled, changed, withdrawn, or in