

§ 20138. Insurance and indemnification

(a) DEFINITIONS.—In this section:

(1) SPACE VEHICLE.—The term “space vehicle” means an object intended for launch, launched, or assembled in outer space, including the space shuttle and other components of a space transportation system, together with related equipment, devices, components, and parts.

(2) THIRD PARTY.—The term “third party” means any person who may institute a claim against a user for death, bodily injury, or loss of or damage to property.

(3) USER.—The term “user” includes anyone who enters into an agreement with the Administration for use of all or a portion of a space vehicle, who owns or provides property to be flown on a space vehicle, or who employs a person to be flown on a space vehicle.

(b) AUTHORIZATION.—The Administration is authorized on such terms and to the extent it may deem appropriate to provide liability insurance for any user of a space vehicle to compensate all or a portion of claims by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations, or recovery of the space vehicle. Appropriations available to the Administration may be used to acquire such insurance, but such appropriations shall be reimbursed to the maximum extent practicable by the users under reimbursement policies established pursuant to section 20113 of this title.

(c) INDEMNIFICATION.—Under such regulations in conformity with this section as the Administrator shall prescribe taking into account the availability, cost, and terms of liability insurance, any agreement between the Administration and a user of a space vehicle may provide that the United States will indemnify the user against claims (including reasonable expenses of litigation or settlement) by third parties for death, bodily injury, or loss of or damage to property resulting from activities carried on in connection with the launch, operations, or recovery of the space vehicle, but only to the extent that such claims are not compensated by liability insurance of the user. Such indemnification may be limited to claims resulting from other than the actual negligence or willful misconduct of the user.

(d) TERMS OF INDEMNIFICATION AGREEMENT.—An agreement made under subsection (c) that provides indemnification must also provide for—

(1) notice to the United States of any claim or suit against the user for the death, bodily injury, or loss of or damage to the property; and

(2) control of or assistance in the defense by the United States, at its election, of that suit or claim.

(e) CERTIFICATION OF JUST AND REASONABLE AMOUNT.—No payment may be made under subsection (c) unless the Administrator or the Administrator’s designee certifies that the amount is just and reasonable.

(f) PAYMENTS.—Upon the approval by the Administrator, payments under subsection (c) may be made, at the Administrator’s election, either from funds available for research and develop-

ment not otherwise obligated or from funds appropriated for such payments.

(Pub. L. 111–314, § 3, Dec. 18, 2010, 124 Stat. 3344.)

HISTORICAL AND REVISION NOTES

Revised Section	Source (U.S. Code)	Source (Statutes at Large)
20138 .....	42 U.S.C. 2458b.	Pub. L. 85–568, title III, § 308, as added Pub. L. 96–48, § 6(b)(2), Aug. 8, 1979, 93 Stat. 348.

§ 20139. Insurance for experimental aerospace vehicles

(a) DEFINITIONS.—In this section:

(1) COOPERATING PARTY.—The term “cooperating party” means any person who enters into an agreement with the Administration for the performance of cooperative scientific, aeronautical, or space activities to carry out the purposes of this chapter.

(2) DEVELOPER.—The term “developer” means a United States person (other than a natural person) who—

(A) is a party to an agreement with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(3) EXPERIMENTAL AEROSPACE VEHICLE.—The term “experimental aerospace vehicle” means an object intended to be flown in, or launched into, orbital or suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer.

(4) RELATED ENTITY.—The term “related entity” includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.

(b) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(c) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (b) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 20138 of this title to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and