



Insight

# Allianz Coffee Guide to: Hyperloop

Broking business is busier than ever, and staying on top of the latest insurance and risk management buzzwords can sometimes fall by the wayside. So, harking back to the coffee shop origins of insurance, Allianz is offering a series of short and snappy insights that pull on our commercial expertise. A perfect way to catch up on what's hot!

**On this week's agenda: Hyperloop. We hope the following comes in handy next time you're awaiting a cappuccino in your local coffee house and a fellow coffee customer turns to you and says...**

### **Coffee Customer: I've heard some mentions of Hyperloop – what is it?**

**You:** Hyperloop is a tube-based transportation system currently in development, designed to cut journey times. The high-speed transport technology – backed by Tesla's Elon Musk – uses levitating pods to propel passengers along a tube, accelerating to speeds equal to that of aeroplanes.

Picture your journey from London to Edinburgh in just 50 minutes as opposed to the 1 hour 20 minutes it currently takes by plane!

### **Coffee Customer: Wow – sounds very futuristic. How does it work?**

**You:** The pods are designed to move over a cushion of air, in excess of 700mph, by propulsion from magnetic accelerators. This is possible due to the reduction of air in the tube – creating a virtually frictionless environment. Hyperloop is being designed to produce as much (or more) energy than it uses.

### **Coffee Customer: But surely this will take years before we're likely to see one?**

**You:** Not really – demonstrations of elements of the system took place in May 2016 and construction has already begun, with trials expected to take place in the Nevada desert later this year.

Hyperloop One, a company set up to bring Hyperloop to market, has stated their goal is to be 'moving cargo by 2020 and passengers by 2021'!

### **Coffee Customer: 2020? That's not far off – where will the Hyperloop routes be?**

**You:** In addition to 11 proposed routes in the United States, Hyperloop One has announced a shortlist of 9 European routes, of which 3 are in the UK.

- UK Northern Arc (545km)  
– Liverpool, Manchester, Leeds, Newcastle, Edinburgh and Glasgow
- UK Scotland-Wales (1,060km)  
– Cardiff to Glasgow via London in 89 minutes
- UK North-South Connector (666km)  
– Edinburgh to London in 50 minutes

**At this point, your drink will be served and you can smile modestly knowing that your coffee catch-up went well.**



### **Insurance implications at a glance:**

- Public liability insurance to cover the passenger and cargo exposure must be purchased. It also remains to be seen whether such operations will fall under the remit of the Office of Rail and Road.
- Because of the novelty and vulnerability of the tubes – it could be a tempting target for terrorism.
- The risk of equipment malfunction and threats of cyber-attacks may generate a higher demand for cyber security covers.
- Equipment is bespoke, meaning potential business interruption issues to replace or repair equipment if failure occurs.