

# Trending in the Aviation Market – Q2 2026

The aviation insurance market has improved compared to the last few years, but it's not a true "soft" market.

More insurance companies are competing for business, which is helping keep pricing stable—or even slightly lower—for well-qualified risks. However, insurers are still cautious because claims remain expensive. Aircraft repairs are taking longer, parts are still costly, and large losses continue to impact the market.

Because of this, underwriters remain selective. Accounts with experienced pilots, strong training, and clean loss histories are seeing the most benefit. In many cases, the accounts that were hit hardest during the recent "hard" market are now seeing the earliest signs of softening. Others may see little change or modest increases. In short:

- *The market is more competitive, but still disciplined*
- *Good risks are rewarded with better pricing and options*
- *Loss history and pilot quality matter more than ever*

For most owners and operators, it may feel a bit easier at renewal—but strong underwriting standards are still firmly in place.

Piston General Aviation: flat to -3%  
 Turbine General Aviation: flat to -5% (best-in-class owner flown risks seeing most benefit)  
 Commercial (Charter/Corporate): flat to -5%  
 Commercial Helicopter: +3% to +8% (still a challenged segment)  
 War Risk / International Exposure: flat to +10% variability depending on geography

## Trends driving up claims costs

- Rising aircraft repair and replacement costs – parts and labor inflation, OEM pricing pressure
- Increased claims frequency and severity – Runway excursions, hangar damage, bird strikes and pilot error continue to result in frequent claims.
- Legal environment & social inflation – jury awards are rising. What once were nuclear are now thermo-nuclear verdicts. Plaintiff's attorneys increasingly target multiple parties even when fault isn't clear
- Catastrophic losses – Recent losses contribute to aggregate losses
- War & Political risk – geopolitical instability has given underwriters cause for pause. Cyber attacks have also been factored into pricing and policy terms

## Aviation Losses

### Major losses - Last 12 months

Cessna 207 – AK – (2 fatal) Apr '25

Bell 206L-4 – NY (6 fatal) Apr '25

MX Aircraft MXS (Rob Holland) – VA  
(1 fatal) – Apr '25

Hondajet HA420 – runway excursion –  
OR – Apr '25

Hondajet HA420 – runway excursion –  
FL – Apr '25

Hondajet HA420 – runway excursion –  
Japan – Apr '25

Citation II – CFIT – San Diego, CA –  
6 fatal – May '25

Boeing 787-8 – Air India 171 – India –  
260 fatal – Jun '25

UPS MD-11F – Louisville, KY – 15 fatal –  
Nov '25

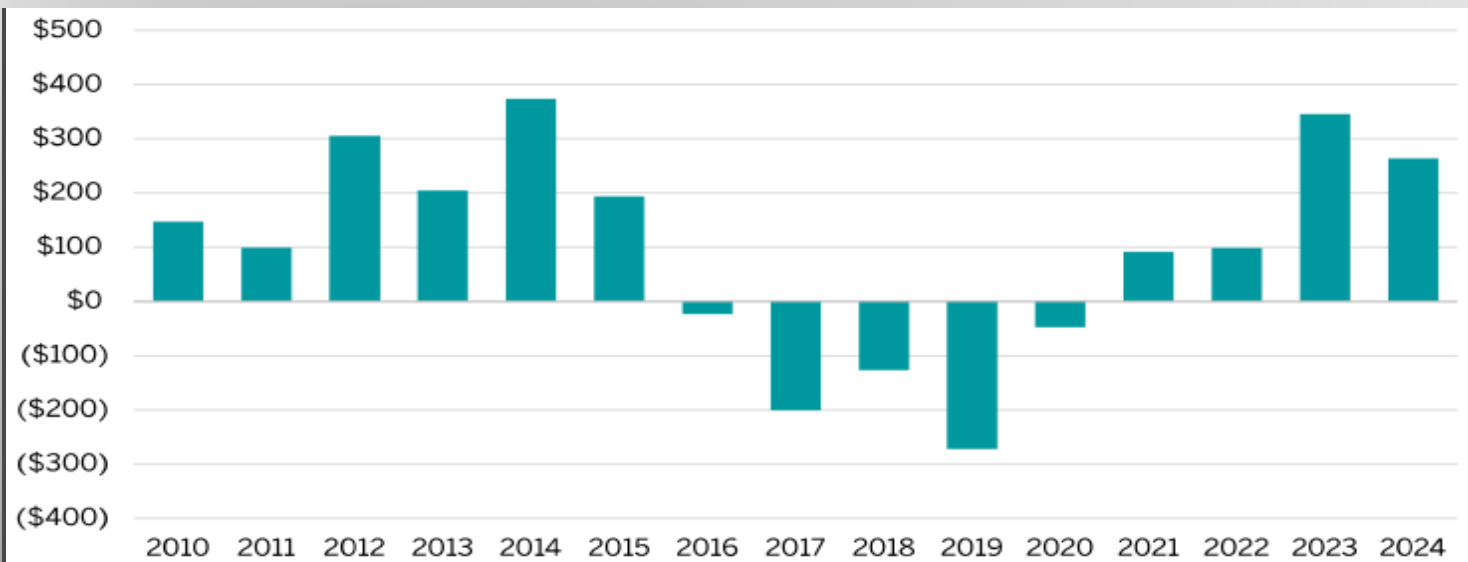
Citation 550 – NC – 7 fatal – Dec '25

## 2025 Milliman Report\* on the U.S. general aviation (GA) market

- **Premium growth has slowed significantly** - 2024 U.S. GA written premium reached about **\$3.0B (+2%)**, the slowest growth in years, with 2025 expected to be flat.
- **Profitability has returned but not fully normalized** - Underwriting results in 2023-2024 are positive again after losses from 2016-2020, though margins are still below long-term historical levels.
- **Losses are the core pressure point** - Incurred losses hit a **22-year high (~\$1.7B in 2024)**, continuing a long-term upward trend driven more by severity than frequency. **repair costs, liability awards, and inflation** are pushing losses higher.
- **Exposure growth is modest** – Aircraft count and flight hours are only increasing slightly, meaning premium changes are driven more by rate than by growth in activity
- **Outlook: stable but fragile** - The market is competitive and stabilizing, but **rising claim costs, expense pressure, and reinsurance dynamics** create risk of future rate firming if trends continue.

\*Ref. 2025 U.S. General Aviation Admitted Market report issued for the financial results through year-end 2024 ([www.milliman.com](http://www.milliman.com))

Market Profitability (Millions)



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