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Aviation Insurance Market 2025: Stable Capacity, Rising Loss Pressure

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Across 2025, aviation insurance has remained broadly competitive for well-performing risks, supported by healthy capacity. But beneath the surface, the market is being pulled in the opposite direction by claims severity, inflation, supply-chain constraints and geopolitical uncertainty. Looking into 2026, most credible market commentary points to greater pricing differentiation, continued scrutiny of war/geo exposures, and a renewed focus on operator risk controls and loss performance.

The 2025 Backdrop: Capacity is There — But the Cost of Loss is Rising

In 2025, insurers and market observers consistently referenced themes that affect both airline and general aviation placements:

- Claims inflation and higher repair costs driven by parts/labour constraints and supply-chain disruption
- Geopolitical instability continuing to shape risk appetite and programme structuring—especially for war and liability exposures

- A generally resilient aviation sector, with operational constraints still present even as demand remains robust



For general aviation specifically, market commentary through 2025 has highlighted that while capacity remains healthy, economic and operating-cost headwinds complicate the outlook and underwriting posture.

What We Expect in 2026: "Selective Firming" and More Structure Around Volatility

Looking ahead into 2026, the most consistent market signals are:

1) More Differentiation by Risk Quality (Not a Blanket Hard Market)

Well-presented accounts with strong loss experience and clear risk management remain best positioned; weaker performers can expect sharper adjustments and tighter terms.

2) Continued Pressure from Claims Severity and Inflation

Pressure from rising claims, inflation and geopolitical uncertainty—all of which typically translate into more disciplined underwriting in the next renewal cycle.

3) War/Geo Exposures Remain a Key Variable for Pricing and Capacity

Even where "all risks" trading is stable, geopolitical factors can swing war pricing and programme structure quickly depending on routing, territories and contract requirements.



What Operators and Owners Should Do Now

1) Prepare a "Technical Submission," Not a Generic Renewal Pack

Underwriters respond to evidence: utilisation, crew standards, training, SMS where applicable, maintenance governance, vendor controls, and incident learnings.

2) Expect More Questions on Operational Resilience

Supply-chain delays and maintenance constraints aren't just operational issues—they affect aircraft downtime, claims cost and loss severity.

3) Review War and Territory Assumptions Early

If you have international routing, charter activity, VIP movements or regionally sensitive destinations, treat war structure and contract wording as a core part of renewal planning.

Orion View: What This Means for 2026 Placements

We expect 2026 to reward risk clarity: strong loss performance, disciplined operations, and well-evidenced controls. For business aviation, management companies and general aviation operators, the best outcomes are typically achieved by early marketing, transparent claims narrative, and deliberate programme structuring—particularly around retentions and war requirements.

Disclaimer: This commentary reflects Orion's general market view based on publicly available industry and market publications as at June–December 2025 and is subject to change as 2026 underwriting and renewal conditions evolve. It is provided for general information only and does not constitute advice.