Aviation insurance market overview H1 2026 | Marsh

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The first half of 2026 has reinforced a clear market reality: aviation insurance capacity remains available, but it is being deployed with increasing selectivity.

Across the market, the themes that accelerated through 2025 have continued to shape underwriting behavior. Insurers are still responding to elevated claims costs, rising repair and replacement expenses, social inflation, supply chain disruption, and geopolitical uncertainty. As a result, the market cannot be described in simple terms. Strong levels of competition remain in some areas, and yet outcomes are increasingly influenced by risk quality, claims experience, exposure profile, and the strength of the renewal narrative.

In the airline market, the focus of insurers has remained on pricing adequacy and their long-term profitability. Capacity is stable overall, but it is not distributed evenly, and underwriting scrutiny has increased, particularly for more complex or loss-affected risks. By contrast, the war market has remained more stable through the first half of the year, supported by steady capacity and improved insurer confidence in exposure reporting and aggregate management, even as geopolitical developments persisted as a concern. In aerospace, broad stability has continued, but that stability is increasingly conditional, with underwriters placing more weight on operational resilience, governance, and confidence in the future risk story. In general aviation, high levels of competition remain, creating attractive conditions for many buyers, although insurer questions around pricing sustainability continue to sit beneath the surface.

What stands out most from the first half of the year is that preparation matters more than ever. In this market, strong outcomes increasingly go to clients who engage early, present their risks clearly, and support their placements with credible data, clear strategy, and evidence of risk management progress.

This review looks back at the key developments that shaped the market in the first half of 2026 across airline, war, aerospace, and general aviation. Our aim is to provide a clear, practical perspective on the forces influencing pricing, capacity, and underwriting decisions, and to help clients navigate the second half of the year with greater confidence and clarity.

At Marsh, we believe that well-informed decisions begin with clear insight and strong advocacy. We hope this review supports both.

Airline

Airline insurance market conditions remain complex, as the recalibration that gathered pace through 2025 continued into the first half of 2026. Insurers are seeking to achieve pricing adequacy after multiple years in which claims outstripped premiums, with rising cost expectations threatening the outlook for future underwriting performance. Elevated claims activity, rising repair costs, social inflation, and ongoing geopolitical uncertainty are therefore all factors placing pressure on both pricing and appetite. The result is underwriters taking a more cautious approach to

capacity deployment and a sharper focus on underlying risk quality.

Aerospace

The first half of 2026 has seen the aerospace insurance market remain broadly stable overall, but that stability is increasingly conditional. Based on available comparable renewal data, premium outcomes have generally been flat or somewhat decreased for insureds, particularly where claims activity has been limited and exposure growth has been modest, and reductions have remained achievable for well-positioned risks. However, renewal outcomes are becoming more clearly differentiated, with pricing, structure, and long-term commitments now being driven by the quality of the risk story, the claims record, and the placement strategy.

General aviation

The general aviation market, over the first half of 2026, saw decreases in pricing and available coverage. Based on premium and rating data analysis, second quarter reductions stretched by a further 5-6% downwards from first quarter levels – a product of insurer efforts to win new business and maintain renewals.

Contact us to discuss how today's aviation insurance market may affect your coverage, pricing, and placement options.