

Aviation Predictions 2026

Will rising geopolitical tensions and climate related disruptions mean increased premiums?

Conflicts in politically unstable regions and heightened global security concerns are expected to elevate exposure both for airlines operating near conflict zones and others with insurable interests. Additionally, extreme weather events such as hurricanes, wildfires, and flooding are becoming more frequent, impacting airport infrastructure and aircraft operations. These combined risks are likely to push insurers to raise premiums, particularly for war risk and hull coverage, and impose stricter territorial exclusions for carriers flying over or near sanctioned or high-risk areas. Recent events have shown how rapidly this can change.

Cyber threats targeting avionics and air traffic systems will prompt broader cyber coverage adoption

The aviation sector faces escalating cyber risks as digitalisation deepens across flight operations, maintenance, and passenger services. Cyber threats are becoming increasingly sophisticated, targeting critical systems such as avionics software, flight planning tools, and airport IT infrastructure. A successful breach could disrupt navigation, compromise safety, or ground entire fleets, leading to severe financial and reputational losses. Regulators are tightening cybersecurity compliance, pushing operators to invest in robust defences. Insurers are responding by expanding cyber liability offerings, often bundling them with traditional aviation policies, while introducing stricter risk assessment protocols and premium adjustments for operators with inadequate cyber resilience.

Launch of the UK eVTOL Delivery Model anticipates commercial flight operations

In September 2025, the UK Civil Aviation Authority published the electric Vertical Take-Off and Landing (eVTOL) Delivery Model in anticipation of commercial flight operations by the end of 2028. The Delivery Model provides a regulatory framework addressing certification, pilot licensing, vertiport integration, and operational approvals. The pioneering technology of eVTOLS represents a bold step toward a cleaner, smarter future for aviation – one that not only accelerates decarbonisation but redefines how we connect and move across the globe. eVTOL assembly and battery production facilities have been established in the UK to support certification and early production. By positioning itself at the forefront of aerospace innovation, the UK seeks to unlock new possibilities for sustainable travel and economic growth. As we edge towards commercial eVTOL operations, this is dialling up a need for a range of tailored advanced air mobility (AAM) insurance cover to include hull liability, war, passenger, cargo, third party liability, spares, hangar keeper and product liability insurance. In 2026, we will see the London and global aviation insurance market continuing to evolve, to respond to the needs of emerging AAM technology.

Autonomous flight: futureproofing laws and regulation

With ongoing advances in aviation automation and autonomous flight there is a need to reconsider related legal and regulatory frameworks. The UK Civil Aviation Authority, in conjunction with the Law Commission of England and Wales, is undertaking a three-year review of existing liability models relating to the future of flight modes including electric Vertical Take-Off and Landing (eVTOL), drones, novel air traffic management and air navigation services to uncrewed aircraft. A final report is scheduled to be published in early 2026. Included in the review are current mechanisms for attributing criminal and civil liability. In particular, the Law Commission is considering (i) where the law allocates responsibilities to a human (e.g. a pilot) and the issues that arise if functions are performed by autonomous systems and (ii) how to allocate civil and criminal responsibility where functions are performed by a system or shared between a human and a system. Meanwhile, in its general Discussion Paper ('AI and the Law') published in July 2025, the Law Commission, in provoking debate, suggested that the option of granting some AI systems legal personality is increasingly likely to be considered. One key objection against that argument is that AI systems might be used as 'liability shields' protecting those at fault from criminal and/or civil accountability. In the field of aviation, where safety, responsibility and accountability are paramount, we predict any such future proposals will be met with strong resistance.

International flight operations over or near conflict zones

In the wake of the MH17 crash and against the backdrop of rising world conflict, the UK Civil Aviation Authority (CAA) is changing regulations concerning international flight operations over or near conflict zones, to align with Standard 4.1.2 of ICAO Annex 6 Part I. The proposed amendment (effective from 31 January 2026) requires operators not to commence flight or continue as planned unless it has been ascertained by every reasonable means available that the airspace containing the intended route from aerodrome of departure to aerodrome of arrival, including the intended take-off, destination and en-route alternate aerodromes, can be safely used for the planned operation. While the focus is commercial flight, under consideration is the extension to other types of operations, such as non-commercial and specialised non-commercial operations. From an insurance perspective, in the event of an associated accident or incident, the adequacy of the operator's enquiry and decision to continue planned flight operation will be at the forefront. In the CAA consultation, the definition of 'reasonable' is wide, intended to denote the use of information available to the operator either through official information published by the aeronautical information services or 'readily obtainable from other sources'.



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