

Decreasing for 15 years, Increasing for the next 3 years

Small history of the market:

- 2001 09/11 : Premium tripled
- End 2003 : Start of a Decreasing Market
- 2003 – 2018 : 15 years of « Soft Market » (decreasing market), rates decreasing every year, since then have been divided by three.
- 2014 : First strong market loss globally
- 2014 – 2017 : Despite Market losses, constant drop in rates year after year.
- 2018 : Beginning of market resistance – Stabilization
- 2019 : in addition to the market negative results, “737 Max” additional shock – Net and sharp increase in rates

➔ 737 Max direct effect : Gave visibility to the heavy losses of the market towards their reinsurers and board members.

- **In 2019: Immediate and global effect on increases supported by the entire market:**

- For claims-free files : between 15% and 40% increase in premiums for airlines
- For files with claims : significant additional increase (going up to double of the previous premium, and even more), based on the « loss/ratio » (claims/premium) of each account.

Instead of taking reference to past conditions, insurers are more keen to remarket the premiums.

- **The market elsewhere :**

In the USA, the market increase has been even more significant and it is not uncommon to see a business jet with premiums that have been doubled and in certain cases even tripled, with difficulties to obtain suitable liabilities limits.

- **2020 -2022 :**

We can expect an equivalent trend for 2020 and 2021.

Indeed, in order for the market to be back to sustainability, the amount of premiums cannot be below the double of what was payed in 2018

➔ This in order to overcome the level of « attritionals » (regular claims)

It should be noted that in addition to the premiums, there will be the questioning of insurers risks exposure with:

- Increase of deductibles
- Limits of the coverages cap in every domain
- Limits in grounding discount
- Bringing back wordings more favorable to insurers