Key Valuation Considerations for Aviation Insurers

Whitepaper by David Fisher

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When you underwrite or evaluate aviation risk, clarity is essential. Aircraft values shift quickly with the market, and even small valuation gaps can lead to mispriced policies, unnecessary exposure, or delayed claims. To protect both your company and your insureds, you need reliable, defensible valuation data. For more than 40 years, I've helped insurers cut through this complexity with clear, independent, USPAP-compliant aircraft appraisals.

Below are the key considerations every aviation insurance professional should keep in mind during underwriting, loss assessment, or policy review.

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1. Market Conditions Change Faster Than Many Expect

Aircraft values are influenced by supply, demand, utilization trends, and global economic factors. What was accurate 18 months ago may no longer reflect real market behavior. For insurers, relying on outdated sources or generalized price guides can result in:

- Underinsured or overinsured policy limits
- Misaligned premium calculations
- Increased exposure during hull loss or total loss claims

Regular, independent valuation updates help ensure your policy limits reflect current market realities.

2. Airframe and Engine Time Drive Value – But Not Alone

While total time and cycles matter, they don't tell the whole story. Insurers should also consider:

- **Maintenance history** (including AD compliance and recent inspections)
- **Engine program enrollment** or lack thereof
- **Avionics status** and upgrade history
- **Damage history** and structural repairs
- **Logbooks**

Two aircraft with similar hours can differ in value by hundreds of thousands of dollars depending on these factors.

3. Documentation Quality Can Make or Break a Claim

In an insurance event, poor documentation creates delays, increases administrative burden, and complicates the ability to verify what maintenance, repairs, or modifications have actually been performed. Missing entries, incomplete logs, or unclear repair histories force adjusters to spend more time gathering information and can trigger additional scrutiny from all parties involved. Insurers benefit from understanding:

- Whether logbooks are complete, consistent, and original
- Whether the aircraft has any undocumented repairs or missing service entries
- Whether STCs, modifications, and equipment changes are properly recorded

Accurate documentation directly affects value, risk profile, and claim defensibility.

4. Installed Equipment and Avionics Upgrades Matter More Than Ever

An aircraft's avionics suite has a major impact on both **market value** and **replacement cost**. Modern systems improve safety, reliability, and operational capability—while outdated equipment can limit use and lower value. Key considerations include:

- **ADS-B, WAAS/LPV capability** — Required for full airspace access and modern navigation.
- **Glass cockpit upgrades** — Significant value add, often representing major investment.
- **Cabin connectivity** — Increasingly expected in business aircraft and influences buyer demand.
- **OEM-supported vs. legacy avionics** — Unsupported systems reduce value and complicate replacement.

These factors can shift an aircraft's value by tens or even hundreds of thousands of dollars, making accurate appraisal essential for underwriting and claims assessment.

5. Independent, USPAP-Compliant Appraisals Reduce Uncertainty

In underwriting and claims, insurers need valuations that can withstand scrutiny from adjusters, brokers, legal teams, and policyholders. A USPAP-compliant appraisal provides the transparency and documentation needed to defend conclusions, avoid disputes, and support consistent decision-making.

A **USPAP-compliant appraisal** provides:

- **Clear methodology** — Every adjustment and conclusion is documented.
- **Verified market data** — Values are supported by current, defensible information.
- **Solid, objective conclusions** — Suitable for underwriting, total loss evaluation, or disputes.
- **Separation of fact and opinion** — Prevents confusion during claims or litigation.

This level of transparency and documentation reduces the risk of disagreements among insureds, brokers, and claims teams—giving insurers a reliable foundation for decision-making.

6. Early Engagement Reduces Risk Throughout the Policy Lifecycle

Insurers who seek valuation guidance early — before underwriting or renewal — benefit from:

- Accurate risk assessment
- Properly aligned hull limits
- Fewer coverage challenges later
- Faster claim resolutions when losses occur

Engaging an expert early is one of the simplest ways to avoid preventable exposure.

The Bottom Line

When you insure aircraft, you need valuation clarity you can rely on—clarity that stands up to underwriting review, supports accurate policy limits, and protects you during complex or high-stakes claims. In a rapidly shifting aviation market, relying on inconsistent data or incomplete records can expose your organization to unnecessary financial risk.

My role is to give you the certainty you need. With expert, independent, USPAP-compliant aircraft appraisals, I help insurance teams:

- Establish accurate hull values before binding coverage
- Reduce the likelihood of disputes with brokers or insureds
- Strengthen claim decisions with defensible, well-documented analysis
- Improve the speed and confidence of both underwriting and loss evaluation
- Ensure valuation conclusions align with real-world market conditions

Whether you're reviewing a new policy, reevaluating limits at renewal, or resolving a claim, trusted valuation support helps you make informed decisions with confidence—not guesswork.

If you'd like expert guidance on a current or upcoming policy, I'm here to help.

David Fisher
Owner | Western Aviation
Sr. Accredited Appraiser with the American Society of Appraisers (ASA).
All appraisal reports are USPAP compliant.
Book a FREE consultation today!

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