Motor Insurance Market Size & Share Analysis - Growth Trends and Forecast (2026 - 2031)

> **Industry:** Insurance & InsurTech (Financial Services & Investment Intelligence)
> **Source:** https://www.mordorintelligence.com/industry-reports/global-motor-insurance-market
> **Scraped Date:** 2026-09-17

Executive Market Summary

Market Metric	Details
Base Market Size	USD 2.27 trillion
Projected Forecast (2031)	USD 2.27 trillion
Growth Rate (CAGR)	6.65 %
Largest Market Region	N/A
Fastest-Growing Region	N/A

Market Visualizations & Infographics

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![Major players in Motor Insurance industry](images/chart_2.png)

![Motor Insurance Market (2026 - 2031)](images/chart_3.png)

![Motor Insurance Market: Market Share by Coverage Type](images/chart_4.png)

![Motor Insurance Market: Market Share by Vehicle Type](images/chart_5.png)

![Motor Insurance Market CAGR (%), Growth Rate by Region](images/chart_6.png)

![Market Concentration](images/chart_7.png)

![footer background image](images/chart_10.png)

![Mordor Intelligence on Facebook](images/chart_12.svg)

![Mordor Intelligence on Pinterest](images/chart_14.svg)

![Mordor Intelligence on Instagram](images/chart_15.svg)

![ESOMAR](images/chart_17.png)

![GPTW](images/chart_19.png)
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Comprehensive Research Analysis

Overview Points List Flex 49 Share Feature End

Market Overview

Study Period | 2020 - 2031 |
Market Size (2026) | USD 2.27 Trillion |
Market Size (2031) | USD 3.13 Trillion |
Growth Rate (2026 - 2031) | 6.65 % |
Fastest Growing Market | Asia Pacific |
Largest Market | North America |
Market Concentration | Low |
Major Players*Disclaimer: Major Players sorted in no particular order

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Market Overview

Motor Insurance Market Analysis by Mordor IntelligenceThe Motor Insurance Market size in terms of premium value is projected to expand from USD 2.13 trillion in 2025 and USD 2.27 trillion in 2026 to USD 3.13 trillion by 2031, registering a CAGR of 6.65% between 2026 to 2031.

Insurers are focusing on underwriting discipline after two years of elevated claims severity linked to parts inflation, ADAS recalibration, and EV repair complexity, with North American carriers improving personal-auto combined ratios in 2025 through rate adequacy and operational efficiency. Repair cost inflation and calibration intensity continue to influence pricing, while claims handling benefits from AI-enabled triage and parts sourcing that shorten cycle times in select lines. Asia-Pacific is now the fastest-growing region through 2031 due to a rising insured base and EV penetration that necessitate updated coverage constructs and battery-specific underwriting methods. Digital and embedded distribution models are scaling across OEMs, lenders, and mobility platforms, but fraud risks such as ghost broking have risen in some markets, which has prompted carrier countermeasures and platform-level safeguards.

Key Report Takeaways

* By coverage type, third-party liability held 42.37% of the motor insurance market size in 2025, while comprehensive coverage is the fastest growing at an 8.46% CAGR to 2031.
* By distribution channel, agents and brokers accounted for 47.18% of the written premiums of the motor insurance market size in 2025, and direct and digital models are projected to grow at a 9.74% CAGR through 2031.
* By vehicle type, passenger cars captured 72.64% of premiums of the motor insurance market share in 2025, while light commercial vehicles are set to expand at a 7.92% CAGR over 2026-2031.
* By vehicle age, new vehicles held a 65.43% of the motor insurance market share in 2025, and used-vehicle policies are projected to grow at a 6.88% CAGR through 2031.
* By geography, North America led with 35.71% of global premiums of the motor insurance market size in 2025, while Asia-Pacific is the fastest-growing region at a 10.26% CAGR to 2031.

Key Market Trends

Global Motor Insurance Market Trends and InsightsDrivers Impact Analysis*

Driver	(~) % Impact on CAGR Forecast	Geographic Relevance	Impact Timeline
Regulatory enforcement of third-party liability in emerging markets	+1.2%	Indonesia, Nigeria, GCC, South and Southeast Asia	Medium term (2-4 years)
Premium rate hardening following claims severity inflation	+1.8%	North America, the United Kingdom, and Australia	Short term (≤ 2 years)
Telematics and UBI adoption via OEM-connected car data	+1.1%	Japan, South Korea, Italy, the United States, and Canada	Medium term (2-4 years)
Asia-Pacific new-vehicle and EV sales are expanding the insured base	+1.5%	China, India, ASEAN, Japan, Australia	Long term (≥ 4 years)
Embedded distribution with OEMs, lenders, and mobility platforms	+0.9%	Global, with early gains in North America, Germany, United Kingdom	Medium term (2-4 years)
Digitized LCV/commercial fleets enabling dynamic underwriting	+0.7%	North America, Western Europe, and urban Asia-Pacific hubs	Short term (≤ 2 years)
Source: Mordor Intelligence			

Competitive Landscape

Competitive Landscape

The motor insurance market features a moderate level of fragmentation where multinational carriers and regional champions pursue different playbooks around telematics scale, embedded distribution, and AI-driven claims, and leading Latin players such as Qualitas continue to consolidate share through data-led pricing and cross-border expansion. Strategic combinations support digital scale and unit-cost advantages, with notable transactions in 2025 that improved the position in personal lines and enabled renewed growth in segments where distribution is shifting online. Carriers are deepening partnerships with OEMs, banks, and mobility platforms to defend renewal books and tap embedded purchase moments that compress customer acquisition costs over time. Regulatory attention on AI, big data, and algorithmic transparency is extending across regions, which pushes investment in explainable models and robust governance over telematics-driven pricing. Within this context, scale players focus on operating leverage and brand, while specialists target niches such as young drivers and small fleets through behavior-based pricing and value-added services that improve retention.

Select 2025 moves point to renewed focus on telematics and digital distribution, with Italy a focal market where black-box adoption creates defensive moats and supports growth plans for incumbents and digital-first brands. Industry cost actions extend beyond pricing to fraud analytics and supply-chain optimization, where data platforms help detect staged losses and reduce leakage at FNOL and settlement. Payment’s modernization and digital refunds have raised customer satisfaction and lowered operational friction, which ties directly to claim and endorsement experiences that drive NPS and lifetime value. North American carriers improved underwriting results in 2025, though they remain attentive to legal trends that influence severity and litigation costs in commercial segments. Embedded and direct channels continue to recast acquisition economics in the motor insurance market, and incumbents are aligning capital toward these flows to secure future renewal pools.

Across technology adoption, leading carriers are deploying AI for subrogation, fraud detection, and triage while investing in explainability and model risk controls under evolving supervisory expectations. Repair network partnerships and calibration hubs for ADAS are being scaled to stabilize cycle times, control parts costs, and improve customer outcomes in EV-heavy portfolios. Regional leaders are using behavioral discounts and safe driving rewards to reinforce telematics engagement, which lowers claim frequency and strengthens policy longevity for the motor insurance market. The competitive set continues to adjust to OEM direct insurance where data advantages can be material, and traditional carriers emphasize transparency, omnichannel advice, and product breadth as counterweights. The combined result is healthy competition that tilts toward players able to integrate data, distribution, and claims at scale without eroding underwriting standards.

Motor Insurance Industry Leaders* PICC Property & Casualty (PICC P&C)

* State Farm Mutual Automobile Insurance Company

* Progressive Corporation

* GEICO (Berkshire Hathaway)

* Allstate Corporation

* *Disclaimer: Major Players sorted in no particular order

Scope Methodology P Space

Our study defines the global motor insurance market as the total gross written p
remiums collected worldwide for policies that protect private and commercial roa
d-going vehicles, passenger cars, light vans, two-wheelers and heavy trucks, aga
inst own damage and third-party liability losses. We cover policies sold directl
y by carriers, through agent/broker networks and emerging digital platforms, agg
regating personal as well as fleet business.

Scope Exclusion: The estimate omits marine, aviation, crop or life covers and st
rips out reinsurance treaties placed above primary carriers.

Segmentation Container

* By Coverage Type* Third-Party Liability Insurance
* Comprehensive Coverage

* By Distribution Channel* Insurance Agents / Brokers
* Direct Sales
* Bancassurance
* Embedded / Platform Partnerships
* Aggregators & Comparison Portals

* By Vehicle Type* Passenger Cars
* Two-Wheelers
* Light Commercial Vehicles
* Medium & Heavy Commercial Vehicles

* By Vehicle Age* New Vehicles
* Used Vehicles

* By Geography* North America* Canada
* United States
* Mexico

* South America* Brazil
* Peru
* Chile
* Argentina
* Rest of South America

* Europe* United Kingdom
* Germany
* France
* Spain
* Italy
* BENELUX (Belgium, Netherlands, and Luxembourg)
* NORDICS (Denmark, Finland, Iceland, Norway, and Sweden)
* Rest of Europe

* Asia-Pacific* India
* China
* Japan
* Australia
* South Korea
* South East Asia (Singapore, Malaysia, Thailand, Indonesia, Vietnam, and Philip
pines)
* Rest of Asia-Pacific

* Middle East And Africa* United Arab Emirates
* Saudi Arabia
* South Africa

* Nigeria
* Rest of Middle East And Africa

Frequently Asked Questions

What is the motor insurance market size today, and by 2031?

The motor insurance market size is USD 2.13 trillion in 2025 and is projected to reach USD 3.13 trillion by 2031 at a 6.65% CAGR over 2026-2031.

Which region will grow the fastest in motor cover through 2031?

Asia-Pacific is the fastest region with a projected 10.26% CAGR to 2031, supported by rising vehicle ownership, digital issuance, and EV adoption that expands the insured base.

Which channels are gaining share in personal auto distribution?

Direct and digital channels are projected to grow at a 9.74% CAGR to 2031, while embedded partnerships with OEMs and lenders accelerate quote-to-bind flows at the point of sale.

How will telematics and OEM-connected data affect pricing?

Telematics and OEM data improve segmentation and support usage-based pricing, and regulators are adding transparency rules for algorithmic pricing that use driving variables.

What are the top cost pressures facing carriers in 2026?

ADAS calibration, EV battery protocols, and parts inflation elevate repair severity and cycle times, which keeps near-term pressure on combined ratios despite pricing discipline.

Which vehicle segments show the strongest outlook to 2031?

Passenger cars anchor premium volume, while light commercial vehicles are the fastest growing due to e-commerce logistics and connected-fleet adoption that support dynamic underwriting.