

Demand For The Usage-Based Insurance Market Is Being Driven By The Expansion Of The Global Automobile Sector

The Business Research Company's Usage-Based Insurance Global Market Report 2022 – Market Size, Trends, And Forecast 2022-2026

LONDON, GREATER LONDON, UK, July 29, 2022 /EINPresswire.com/ -- The usage-based insurance (UBI) market consists of sales by organizations that provide auto insurance services by

placing monitoring devices in the vehicle. UBI is frequently powered by telematics technology, which is accessible in vehicles via a plug-in device or is pre-installed in the car system, and that can also be accessed via mobile apps. It provides insurers with a variety of data to base driver premiums on, based on the usage of the vehicle or driving behavior, including how far a vehicle is driven, how it is driven, and where it is driven.

Reference to the [Global Market Model](#) will evidence the expected rise in demand with the Global [Usage-Based Insurance market](#) anticipated to grow from \$28.8 billion in 2021 to \$37.2 billion in 2022 at a compound annual growth rate (CAGR) of 29%. The expansion of the automobile industry is expected to propel the growth of the usage-based insurance market in the coming years. The automotive industry is made up of a diverse group of businesses and organizations that engage in the design, development, production, marketing, and sale of automobiles. Car owners are interested in telematics-driven usage-based insurance since it provides low premiums for low-risk driving and high premiums for high-risk driving. As a consequence, the usage-based insurance market is anticipated to grow to \$110 billion in 2026 at a CAGR of 31%, with further growth expected to reach \$282 billion in 2031 at a CAGR of 21%.

North America was the largest region in the global usage-based insurance market, accounting for 35% of the market in 2021, with Asia-Pacific in second place and Western Europe in third place, with 27% and 26% of the market, respectively. Africa was the smallest region in the global usage-based insurance market. By individual country, the USA had the largest share of the global market, accounting for around 31%, with China following in a distant second place with a 12% share. China, though, is forecast to show the most growth in the period 2021 to 2026, with a



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CAGR of around 43%.

The main vehicle types of usage-based insurance are in light-duty vehicles (LDV), that is, passenger cars having a maximum gross vehicle weight of less than 6 tons, which accounts for 59% of the global market, and also in heavy-duty vehicles (HDV), which have a higher gross vehicle weight of above 6 tons and account for the remaining 41% of the market. The HDV sector is, however, forecast to grow faster in the period 2021 to 2026 with a CAGR approaching 33% compared with 29% for LDV's.

Technological advancements are shaping the usage-based insurance market, with major companies operating in the sector focused on developing technological solutions for usage-based insurance to strengthen their position in the market. The different technologies include OBD-II-based UBI programs; smartphone-based UBI programs; hybrid-based UBI programs; and black-box-based UBI programs and are used in various types of packages such as pay-as-you-drive (PAYD), pay-how-you-drive (PHYD), and manage-how-you-drive (MHYD).

Usage-Based Insurance Global Market Report 2022 – By Vehicle Type ((LDV), (HDV)), By Technology (OBD-II-Based UBI Programs, Smartphone-Based UBI Programs, Hybrid-Based UBI Programs, Black-Box-Based UBI Programs), By Package Type ((PAYD), (PHYD), (MHYD)) – Market Size, Trends, And Global Forecast 2022-2026 is one of a series of new reports from The Business Research Company that provides usage-based insurance market overviews, analyzes and forecasts usage-based insurance market size, share, usage-based insurance market players, usage-based insurance market segments and geographies, the market's leading competitors' revenues, profiles and market shares.

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