

Usage-Based Insurance Market to Witness Healthy Growth as Players Witness Potential Growth Opportunities | At 27.6% CAGR

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NEW CASTLE, WILMINGTON, UNITED STATES, November 22, 2023 /EINPresswire.com/ -- Usage-based insurance (UBI) is a telematics-based, auto insurance service that monitors cars, trucks, and other commercial or private vehicles, by keeping track of distance covered. The first successfully used telematics was initiated by long-distance truck fleet operators to track and coordinate vehicle movements for operational, maintenance, and other purposes. The premiums are calculated according to the data assessed by the telematics device, which includes miles driven, time of day, where the vehicle is driven, rapid acceleration, and hard braking. Moreover, growing adoption of usage-based insurance among the end user owing to its various features such as providing accurate and timely data collection methods and flexible insurance premiums, boosts the growth of the [global usage-based insurance market](#). In addition, factors such as higher possibility of the vehicle being recovered, in case of stolen, and lower fuel consumption positively impacts the growth of the market. However, high installation cost of telematics and various data security issues are expected to hamper the market growth. On the contrary, adoption of advance technology such as smartphone-based UBI & hybrid-based UBI and increase in concerns regarding driver's safety across the globe is expected to offer remunerative opportunities for the expansion of the market during the forecast period. Each of these factors is projected to have a definite impact on the growth of the usage-based insurance market.

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As per the report published by Allied Market Research, the global usage-based insurance market generated \$28.75 billion in 2019, and is estimated to reach \$149.22 billion by 2027, witnessing a CAGR of 25.1% from 2020 to 2027.

Growing adoption among end users and flexible insurance premiums drive the growth of the global usage-based insurance market. However, high installation cost of telematics and various data security issues hinder the market growth. On the contrary, adoption of advanced technologies including smartphone-based UBI & hybrid-based UBI and surge in concerns about

driver's safety across the world are expected to create lucrative opportunities for market players in the future.

Covid-19 impact:

Since the outbreak of the Covid-19 pandemic, people have been reevaluating traditional auto insurance policies and opting for usage-based insurance.

As most of the governments have imposed lockdown across the country, most of the companies opted for work-from-home culture. This has decreased the short trips, and therefore, need for mile-based coverage across the globe.

The global usage-based insurance market is divided into policy type, technology, vehicle age, vehicle type, and region. Based on policy type, the pay-as-you-drive segment dominated the market in 2019, accounting for more than half of the market. However, the manage-how-you-drive segment is expected to manifest the highest CAGR of 29.7% during the forecast period.

Industry Analysis Post COVID: <https://www.alliedmarketresearch.com/request-for-customization/1742>

On the basis of technology, the black-box segment held the largest share in 2019, contributing to more than three-fifths of the market. However, the smartphone segment is projected to portray the highest CAGR of 30.3% during the forecast period.

Based on vehicle age, the new vehicles segment held the lion's share in 2019, accounting for nearly three-fifths of the market. However, the used vehicle segment is anticipated to manifest the highest CAGR of 25.9% from 2020 to 2027.

On the basis of vehicle type, the light-duty vehicle (LDV) segment held the largest share in 2019, contributing to around three-fourths of the market. However, the heavy-duty vehicle (HDV) segment is expected to register the highest CAGR of 26.3% during the forecast period.

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The global [usage-based insurance market is analyzed](#) across various regions such as North America, Asia-Pacific, Europe, and LAMEA. The market across North America held the largest share in 2019, contributing to nearly two-fifths of the market. However, the market across Asia-Pacific is anticipated to manifest the highest CAGR of 27.6% from 2020 to 2027.

The global usage-based insurance market report includes an in-depth analysis of the major market players such as Allstate Corporation, Allianz SE, Insurethebox, Aviva, AXA, Mapfre S.A., Liberty Mutual Insurance, Nationwide Mutual Insurance Company, Progressive Corporation and UNIPOLSAI ASSICURAZIONI S.P.A.

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