

Comprehensive Report on the Rental Car Insurance Market: Opportunities and Challenges

The Business Research Company's Rental Car Insurance Global Market Report 2025 - Market Size, Trends, And Global Forecast 2025-2034

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What Is The Expected Cagr For The Rental Car Insurance Market Through 2025?

In the past few years, the rental car insurance market has witnessed robust growth. From a market value of \$9.88 billion in 2024, it is projected to increase to \$10.59 billion in 2025, reflecting a 7.1% compound annual growth rate (CAGR). Factors contributing to the growth trend during the historical period include escalating travel requirements, an uptick in the booking of rental vehicles, increased costs associated with repairs and replacements, augmented consumer awareness regarding risks, along with an increase in the compulsory regulatory requirements for insurance.

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Anticipated to see robust growth in the upcoming years, [the rental car insurance market size](#) is predicted to reach

\$13.77 billion in 2029, growing at a compound annual growth rate (CAGR) of 6.8%. Factors fueling growth during the forecast period include a surge in demand for rental vehicles, a rise in business travel, expansion of insurance services, preferences for extended car rental periods, and a spike in electric vehicle rentals. Some emerging trends during this period include the development of digital and mobile reservation platforms, application of artificial intelligence, the implementation of use-based and telematics pricing models, insurtech innovations, online distribution, and collaborations with car sharing and mobility services.

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What Are The Driving Factors Impacting The Rental Car Insurance Market?

The escalating need for rented vehicles is predicted to spur [the expansion of the car rental insurance sector](#). Rented vehicles, which are generally acquired temporarily for private or corporate purposes through a hire service agency, have seen increased demand. This surge is attributed to a rising inclination towards adaptable transportation solutions, a preference that is growing as many consumers sidestep the significant expenses and commitments associated with owning a car in city settings. Car rental insurance adds value to the hire service by providing coverage against potential financial losses during the rental period, making it a more appealing and reliable option. For example, in January 2025, Statistique Canada, a statistics agency based in Canada, reported that the demand for rented vehicles driven by tourism increased by 13.5% in the first half of 2024 compared to the same duration in 2023. Thus, the intensified need for rented vehicles is propelling [the expansion of the car rental insurance industry](#).

Which Players Dominate The Rental Car Insurance Industry Landscape?

Major players in the Rental Car Insurance Global Market Report 2025 include:

- Berkshire Hathaway Inc.
- Allianz SE
- AXA Assistance S.A.
- American International Group Inc.
- Allstate Insurance Company
- Liberty Mutual Insurance Company
- The Progressive Corporation
- Chubb Limited
- The Travelers Companies Inc.
- Mapfre S.A.

What Are The Key Trends Shaping The Rental Car Insurance Industry?

Key players in the car rental insurance market are concentrating on introducing innovative products such as digital insurance platforms to augment user experience, streamline operations, and provide immediate access to policies. These digital platforms are available online or via mobile applications, enabling users to easily buy insurance, manage their policies, and lodge claims, all without the need for physical documents or geographic limitations. For instance, in May 2023, AXA Hong Kong & Macau, an insurer based in Hong Kong, introduced Klook Rental Car Protection in cooperation with Klook. This offering provides rental car excess coverage of up to \$5,376 (HKD 42,000) and personal accident protection up to \$15,380 (HKD 120,000). Additionally, it covers benefits such as repayment for misplaced travel documents, indemnity for irrefundable rental charges due to flight delays, and automatic policy extension. Clients can effortlessly control their policies and file claims via the Emma by AXA mobile app, resulting in a completely digital insurance experience for overseas travellers.

Global Rental Car Insurance Market Segmentation By Type, Application, And Region

The rental car insurance market covered in this report is segmented –

- 1) By Insurance Type: Collision Damage Waiver (CDW), Liability Insurance, Personal Accident Insurance, Theft Protection, Supplemental Liability Insurance (SLI)
- 2) By Rental Duration Type: Short-Term, Long-Term
- 3) By Distribution Channel Type: Online, Offline
- 4) By End-User Type: Individual, Commercial

Subsegments:

- 1) By Collision Damage Waiver: Basic Collision Damage Waiver, Full Collision Damage Waiver, Zero Excess Collision Damage Waiver
- 2) By Liability Insurance: Third Party Liability Insurance, Comprehensive Liability Insurance, Excess Liability Insurance
- 3) By Personal Accident Insurance: Driver Personal Accident Insurance, Passenger Personal Accident Insurance, Combined Personal Accident Insurance
- 4) By Theft Protection: Partial Theft Protection, Full Theft Protection, Theft Protection With Zero Deductible
- 5) By Supplemental Liability Insurance: Supplemental Third Party Liability Insurance, Extended Supplemental Liability Insurance, Comprehensive Supplemental Liability Insurance

View the full rental car insurance market report:

<https://www.thebusinessresearchcompany.com/report/rental-car-insurance-global-market-report>

Which Region Holds The Largest Market Share In The Rental Car Insurance Market?

In the 2025 Global Market Report for Rental Car Insurance, North America was the predominant region in 2024. The report anticipates its growth trend. The report extensively covers regions including Asia-Pacific, Western Europe, Eastern Europe, South America, the Middle East, and Africa.

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