

India Motor Insurance Market Growth Analysis - Forecast Trends and Outlook (2025-2034)

Market Report | 2025-06-28 | 142 pages | EMR Inc.

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Report description:

The India motor insurance market size reached around USD 11.39 Billion in 2024. The market is projected to grow at a CAGR of 10.40% between 2025 and 2034 to reach nearly USD 30.63 Billion by 2034. The market growth can be attributed to the increasing adoption of electric vehicles and the absence of adequate surveillance mechanisms for monitoring cases of vehicle theft. Besides, the emergence of InsurTech to develop customised motor insurance policies as per consumers' preferences is also leading to the market growth.

India Motor Insurance Market Report Summary

Description

Value

Base Year

USD Billion

2024

Historical Period

USD Billion

2018-2024

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Forecast Period

USD Billion

2025-2034

Market Size 2024

USD Billion

11.39

Market Size 2034

USD Billion

30.63

CAGR 2018-2024

Percentage

XX%

CAGR 2025-2034

Percentage

10.40%

CAGR 2025-2034 - Market by Region

West and Central India

11.4%

CAGR 2025-2034 - Market by Region

East India

11.0%

CAGR 2025-2034 - Market by Policy Type

Comprehensive Coverage

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11.2%

CAGR 2025-2034 - Market by Premium Type

Personal Insurance Premiums

10.9%

Market Share by Region 2024

North India

32.1%

India Motor Insurance Market Growth

Automotive producers are gradually transitioning towards electric vehicle manufacturing to cater to the evolving transportation needs of consumers to save fuel costs and reduce their carbon footprint. The introduction of several EV models like Tata Punch.ev, VolvoXC40, and MG Comet underpin this trend, which is further expected to increase the demand for green auto insurance. This is one of the key India motor insurance market trends. In 2023, Indian car makers sold nearly 13 lakh electric vehicles, and insurance companies received around INR 1000 crores worth of insurance premium. EV batteries account for almost 60% of the vehicle's total cost, and electric motors are available in the range of INR 20,000-1,00,000. This is expected to increase the demand for financial risk mitigation options among EV owners, thereby driving the India motor insurance market development.

With the Insurance Regulatory and Development Authority anticipated to stipulate a 7.5% discount on premiums for hybrid vehicles and a 15% discount on third-party premiums for electric vehicles, consumer accessibility and affordability to green auto insurance is expected to rise significantly. Companies like TATA AIG General Insurance Company Limited are targeting a market share of 8%-9% by introducing novel add-on features for existing motor insurance policyholders. This is expected to favourably shape the market dynamics in the upcoming years.

Key Trends and Developments

Rising cases of car thefts; the introduction of novel add-on features in motor insurance solutions; rising penetration of motor insurance in rural areas; and the emergence of InsurTech are the major factors favouring the India motor insurance market growth.

August 2024

ICICI Lombard General Insurance Company Limited launched an innovative add-on "Smart Saver Plus" for its motor insurance policies, which addresses consumer concerns about prolonged turnaround times. It offers high-quality repair and maintenance works at preferred garages of consumers within 5 days, with a claim amount of up to INR 50,000. It also offers a warranty of 10,000 km or 24 months on the repair work, whichever is earlier.

July 2024

Tata AIG partnered with Mahindra Finance to distribute its non-life insurance products (including motor insurance products) to the latter's customer base exceeding 10 million people. This is expected to increase the India motor insurance market value in the

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upcoming years.

March 2024

Bajaj Allianz General Insurance introduced "Insurance Samjho", a Gen AI-powered chatbot designed to simplify insurance complexities for their customers. It uses a user-friendly interface with advanced capabilities that break down complex financial terms into easy and conversational language. This is expected to significantly reduce policy dissatisfaction at the time of claim settlement among consumers.

July 2022

Digital General Insurance introduced a "Pay-as-you-drive" add on-coverage for motor insurance holders that enable insurers to claim up to 25% discount on annual premiums in case of less vehicle usage. Through this, the company aims to benefit customers who do not drive their car regularly but still pay the same premium as a driver with heavy usage.

Rising cases of car thefts

In 2023, India witnessed a 2.5x growth in the number of vehicle thefts, with the number of reported bike thefts increasing by 9.25 times as compared to four-wheelers. Hence, growing concerns regarding vehicle theft have bolstered the demand for motor insurance solutions, thereby enabling vehicle owners to obtain adequate compensation for mitigating financial losses.

Introduction of novel add-on features

Insurance companies like TATA AIG General Insurance Company Limited are providing roadside assistance as an add-on to their general motor insurance policyholders. During unforeseen circumstances encountered on-road, they are also covering the costs of towing services, tyre blowout, overnight stay, spare keys, or any additional expenditure legal expenditure in case of an accident, boosting the appeal of motor insurance among customers.

Rising penetration of motor insurance in rural areas

Increasing collaboration of insurance companies with microfinance institutions, government agencies, and other local partners to increase customer awareness regarding third-party insurance coverage is expected to improve their regulatory compliance as per industry guidelines and drive the India motor insurance market development.

Emergence of InsurTech

InsurTech startups are revolutionising the Indian automotive industry by streamlining the purchase process, offering seamless digital experiences for customers, and developing data-driven solutions for claims management and risk assessment and claims management. By leveraging AI and machine learning tools, companies are developing personalised insurance plans for improving underwriting accuracy.

India Motor Insurance Market Trends

Increasing incidence of car thefts

In 2023, Delhi, Chennai, and Bangalore reported the highest number of car thefts in India due to the lack of organised parking spaces in several regions. The most popular four-wheelers which were stolen included Maruti Suzuki (47%), followed by Mauti

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Swift and Maruti Wagon R in Delhi NCR, followed by hatchbacks like Maruti Swift Dzire, Hyundai Creta, and Hyundai Grand. In 2023, the region registered 105 cases of car thefts daily in 2023 and accounted for 37% of all car thefts.

Digitisation and technology integration

One of the key India motor insurance market trends is the growing emphasis on digitisation and technology integration. Insurers are adopting digital platforms for faster policy issuance, claims processing, and customer support, enhancing convenience for policyholders. Mobile apps and AI-driven chatbots are streamlining the customer experience, while telematics-based policies are gaining popularity. These usage-based policies allow premiums to be determined by driving habits and mileage, encouraging safer driving behaviour. Additionally, insurers are leveraging data analytics to personalise offerings, improve risk assessment, and optimise underwriting. This shift toward digital transformation is reshaping the motor insurance market in India.

India Motor Insurance Industry Segmentation

The EMR's report titled "India Motor Insurance Market Report and Forecast 2025-2034" offers a detailed analysis of the market based on the following segments:

Breakup by Policy Type

- Liability Insurance
- Comprehensive Coverage
- Collision Coverage
- Personal Injury Protection

Breakup by Premium Type

- Personal Insurance Premiums
- Commercial Insurance Premiums

Breakup by Distribution Channel

- Direct Sales
- Agents or Brokers
- Banks
- Others

Breakup by Region

- East India
- West and Central India
- North India
- South India

India Motor Insurance Market Share

Based on region, the market is segmented into East India, West and Central India, North India, and South India. Over the forecast period of 2025-2034, the demand for motor insurance in West and Central India is expected to grow at a CAGR of 11.4% due to

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rapid urbanisation and rising consumer disposable incomes. East India is expected to grow at a CAGR of 11.0% due to the growth of insurance technology in the region.

Based on policy type, the market is categorised into liability insurance, comprehensive coverage, collision coverage, and personal injury protection. The India motor insurance market analysis suggests that comprehensive coverage is expected to grow at a CAGR of 11.2% between 2025 and 2034 due to the rising number of road accidents reported across the country and the rising costs of repairing vehicle damage. Personal injury protection is expected to grow at a CAGR of 10.7% since it covers the hospitalisation costs of major road accidents.

Leading Companies in the India Motor Insurance Market

Major players are introducing user-friendly generative AI-powered chatbots to simplify the insurance purchasing process for customers. Besides, the switch towards telematics tools for enhancing consumer experience is expected to increase the India motor insurance market revenue. By expanding their existing product offerings and providing comprehensive solutions for protection from financial risk, companies are focusing on increasing their market share in the coming years.

ICICI Lombard General Insurance Company Limited

ICICI Lombard General Insurance Company Limited was founded in 2001 and is headquartered in Mumbai, Maharashtra. It is one of India's leading private general insurance companies which provides a comprehensive range of insurance products for crops, vehicles, fires, and individual lives through multiple distribution channels.

Reliance Capital Limited

Reliance Capital Limited was founded in 1986 and is headquartered in Mumbai, Maharashtra. It is a financial services company that specialises in providing general insurance products and wealth management services.

The Oriental Insurance Company Ltd.

The Oriental Insurance Company Ltd. was founded in 1947 and is headquartered in New Delhi. It is India's 4th largest general insurance company with around 1000 offices and over 15,000 employees.

United India Insurance Company Ltd.

United India Insurance Company Ltd. was founded in February 1938 and is headquartered in Chennai, Tamil Nadu. It is a government-owned company which distributes insurance products to nearly 1.38 crore customers.

Other players included in the India motor insurance market report are Bajaj Allianz General Insurance Company, HDFC ERGO General Insurance Company Limited, TATA AIG General Insurance Company Limited, The New India Assurance Co. Ltd., SBI General Insurance Company Limited, and Acko Technology and Service Private Limited, among others.

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