

China Motor Insurance - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2025 - 2030)

Market Report | 2025-06-01 | 170 pages | Mordor Intelligence

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Report description:

China Motor Insurance Market Analysis

The China motor insurance market size was USD 139.95 billion in 2025 and is projected to reach USD 171.25 billion by 2030, representing a steady 4.12% CAGR. China's motor insurance market is witnessing modest topline growth, yet its internal dynamics are rapidly evolving. Premiums are expanding, driven by the surge in new energy vehicles, a segment growing at an impressive annual rate of 12.5%. This growth rate significantly outpaces the overall market, with new energy vehicles now representing 11.5% of total premiums. The rise of digital distribution is reshaping the cost structure. Platforms that sell directly to consumers, online aggregators, and embedded sales channels are gaining traction, diminishing the traditional cost edge once enjoyed by agents. Regional trends are diverging, while East China continues to lead in premium volume, it's showing signs of saturation. In contrast, Northwest China is emerging as a robust growth area, boasting a 10.1% annual growth rate, bolstered by infrastructure projects and rural subsidies. After the pricing reforms in 2020, competition has intensified. By 2024, the top three insurers, PICC, Ping An, and China Pacific, secured a dominant share of underwriting profits, highlighting widening performance gaps.

China Motor Insurance Market Trends and Insights

Explosive Growth of New-Energy Vehicles (NEVs) Raising High-Value Premium Pool

China's motor insurance landscape is transforming, driven by the rapid adoption of new-energy vehicles (NEVs). In 2023, 8.1

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million NEVs were sold, representing nearly 60% of global EV registrations. By 2024, NEVs constituted over half of all new-car registrations in China. Due to expensive battery repairs and specialized components, NEVs attract premiums of CNY 4,003, significantly outpacing the CNY 2,209 for traditional cars. This trend is inflating the insured risk pool's overall value, leading to heightened average claims. Insurers, facing pressure to revamp pricing models with scant historical loss data, note that NEV-related policies have loss ratios of 10-20% points above those of conventional vehicles. Insurers that harness advanced, data-driven underwriting capabilities stand to capitalize on this structural shift, reaping sustained premium growth.

Deregulation of Online Motor Policies Boosting Direct-to-Consumer Adoption

In 2020, China reformed its regulations, lifting mandatory tariff constraints. This change empowered insurers to adopt flexible pricing and directly market policies via digital platforms. As a result, digital-native players such as ZhongAn have emerged, crafting tailored micro-policies for niche customer segments. They've also managed to reduce distribution expense ratios from approximately 25% to nearly 10%. These cost savings enable more competitive pricing, driving faster consumer acceptance of direct-to-consumer (D2C) platforms. Yet, as price competition intensifies, margins are being squeezed, leading to consolidation among smaller, less efficient players.

Underwriting Losses on EV Portfolios Due to Battery Repair Costs

The high cost of battery replacement, often exceeding CNY 100,000, drives average claim severities for NEVs 30-40% higher than those for gasoline vehicles, resulting in structurally elevated loss ratios in the near term. This profitability pressure is particularly challenging for smaller insurers, many of whom respond by adding NEV surcharges or excluding certain coverages altogether. In contrast, larger insurers attempt to offset these risks by negotiating repair discounts with automakers and investing in specialized claims adjuster training. Nonetheless, the overall strain on underwriting margins is limiting the pace of profitable NEV policy expansion.

Other drivers and restraints analyzed in the detailed report include:

Telematics-Based UBI Programs Catalyzed by Connected-Vehicle Guidelines / Tier-3 & 4 City Car-Parc Expansion via Rural Vehicle Subsidy Program / Intensifying Price Competition Post De-tariffication /

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Commercial motor insurance generated 63.2% of gross written premiums in 2024, yet compulsory third-party liability is on course to grow faster at 11.82% CAGR through 2030. The China motor insurance market size for CTPL alone is projected to rise alongside stricter enforcement in lower-tier jurisdictions and higher bodily-injury limits. In parallel, product innovation blends CTPL with modular commercial add-ons, giving cost-sensitive motorists flexibility without sacrificing essential protection.

Price liberalization widens the spread between players' CTPL loss ratios, incentivizing data-savvy firms to refine risk segmentation. Digital platforms excel at cross-selling commercial endorsements to CTPL buyers by using behavioral analytics that suggest accident-forgiveness or roadside-assistance riders at checkout. Over time, a higher share of policies is likely to move into mid-priced hybrid bundles, cementing CTPL's role as a gateway product within the broader China motor insurance market.

China Motor Insurance Market is Segmented by Coverage Type (Compulsory Third-Party, Commercial), Vehicle Type (Passenger, Electric and Hybrid, Heavy Trucks and Buses and More), Distribution Channel (Direct Sales, Agents and Brokers, Bancassurance, and More), and Region (East, South-Central, North, and More). The Market Forecasts are Provided in Terms of Value (USD).

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List of Companies Covered in this Report:

PICC Property & Casualty Co., Ltd. / Ping An Property & Casualty Insurance Co. / China Pacific Property Insurance Co. (CPIC P/C) / China United Property Insurance Co. / Sunshine P&C Insurance Co. / Taiping General Insurance Co. / AXA Tianping Property & Casualty / Zurich Insurance (China) Co. / Generali China Insurance Co. / AIG Insurance Co. China Ltd. / China Re P&C Reinsurance / ZhongAn Online P&C Insurance / Huaxia Life Insurance / Tesla Insurance (Shanghai) / NIO Insurance Brokerage / BYD Auto Insurance Agency / WeSure Insurance Platform (Tencent) / Taikang Insurance Group / Allianz China / Huatai Insurance Group /

Additional Benefits:

The market estimate (ME) sheet in Excel format /
3 months of analyst support /

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