

Saudi Arabia Motor Insurance - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-02-09 | 150 pages | Mordor Intelligence

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Report description:

Saudi Arabia Motor Insurance Market Analysis

The Saudi Arabia motor insurance market is expected to grow from USD 3.07 billion in 2025 to USD 3.18 billion in 2026 and is forecast to reach USD 3.77 billion by 2031 at 3.47% CAGR over 2026-2031. Growth remains steady because Insurance Authority consolidation, Vision 2030 mobility targets, and an expanding insured vehicle parc offset the pressure of rising regulatory capital requirements and intense online price competition. Demand is reinforced by a higher share of female drivers, surging tourism arrivals, accelerating e-commerce logistics, and mandatory comprehensive cover for financed cars. At the same time, 63% of claims now relate to heat-induced damage, obliging carriers to re-price risk, and the compulsory 30% local reinsurance cession adds to capital usage. Digital aggregators such as Tameeni are lowering acquisition costs but compressing underwriting margins, shaping a market where scale, data analytics, and product innovation determine profitability across every segment of the Saudi Arabian motor insurance market.

Saudi Arabia Motor Insurance Market Trends and Insights

Vision 2030 vehicle-parc expansion

Demographic change and large-scale infrastructure programs are enlarging the Kingdom's registered vehicle base faster than historical averages, sustaining premium growth for motor insurers. Female licenses passed 174,000 in 2021 and continue to rise as labor-force participation targets add dual-income households that purchase additional cars. Tourism liberalization obliges rental

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operators to maintain comprehensive cover for international visitors, adding thousands of short-duration policies each month. Mega-project logistics at NEOM, Oxagon, and King Salman Energy Park demand heavy trucks and specialty fleets that carry higher written premiums than private cars. The combined effect lifts total premium volume while diversifying risk beyond the mature personal-car book.

Rapid digital aggregation and Insurtech adoption

Aggregators such as Tameeni let motorists compare and buy policies from more than 20 carriers in minutes, cutting acquisition costs and broadening reach. Najm's July 2024 telematics rollout now feeds real-time driving data into underwriting models, automating claims approval. Open-banking APIs introduced in 2023 enable instant premium payment inside mobile apps, moving the sector toward straight-through processing. Early adopters convert these efficiencies into higher renewal retention despite falling average premiums. Digital migration is strongest in Riyadh, Jeddah, and Dammam, where smartphone penetration exceeds 95%.

Price Competition & Online Transparency

Aggregator interfaces deliver side-by-side quotes on standard third-party liability, eroding insurers' ability to sustain margin on commoditized cover. For small carriers, acquisition costs rise as discounting accelerates customer churn; many respond by offering cash-back incentives that further pressure gross written premium yields. The impact is especially pronounced in urban centers where smartphone penetration exceeds 95%. Although direct channels strip out broker commissions, the net gain is neutralized by lower pricing. Firms with sub-scale books below SAR 200 million GWP may be forced into mergers, potentially lowering the total license count and reshaping the competitive structure of the Saudi Arabian motor insurance market.

Other drivers and restraints analyzed in the detailed report include:

E-commerce-led commercial fleet demand
Sharia-compliant comprehensive products via auto finance
Capital Requirements & Local Reinsurance Mandate

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

Segment Analysis

Commercial vehicles produced the fastest premium increase at 3.98% CAGR between 2026 and 2031, boosted by e-commerce logistics, giga-project haulage, and expanding leasing fleets that demand comprehensive policies with higher average written premiums per unit. Heavy-duty trucks transporting modular components for NEOM and King Salman Energy Park expose insurers to elevated severity risk yet command proportionate premium loadings. Personal vehicles, while still representing 70.25% of the Saudi Arabian motor insurance market share in 2025, grow at a slower pace as replacement cycles lengthen and urban mobility alternatives emerge.

Commercial fleet underwriting increasingly leverages telematics for driver-behaviour monitoring, route optimization, and proactive maintenance alerts. Fleet managers accept data-sharing arrangements in exchange for collective premium discounts and priority repair-shop access. Personal-vehicle books benefit from female driver participation and tourism rentals; however, heat-related component failure raises claim frequency. As policy wording evolves to cover battery degradation and sand abrasion, the Saudi Arabia motor insurance market maintains risk-based pricing discipline across both sub-segments.

The Saudi Arabia Motor Insurance Market Report is Segmented by Vehicle Type (Personal, Commercial), Insurance Type (Third Party, Comprehensive), and Distribution Channel (Direct, Agents, Brokers, Banks, Other Distribution Channels). The Market

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Forecasts are Provided in Terms of Value (USD).

List of Companies Covered in this Report:

Tawuniya Al Rajhi Takaful Walaa MedGulf Malath Allianz Saudi Fransi ACIG Wataniya Salama Cooperative Liva Insurance Gulf Union Al Ahlia United Cooperative Insurance (UCA) GIG Saudi Arabian Shield Alinma Tokio Marine Takaful Aljazira Saudi Re Najm Insurance Services Derayah Insurance Broker Bupa Arabia

Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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