THE REPLACEMENT RENTAL AVAILABILITY PARADOX

White Paper | 2026

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1. The Rental Replacement Landscape: 2026 and Beyond

Rental companies generally need monthly fleet utilization of 90% or more to remain profitable. Insurance replacement vehicles are often returned by Friday so insurers do not pay for three additional weekend days. Those returns can push a branch's utilization into the low 80% range, or even the 70% range on weekends - far from where optimal utilization must remain.

To finish the month above the aforementioned 90%, a branch may need to operate nearly sold out early to mid-week. In a 100-vehicle fleet, 90 may be rented, 2-3 may be undergoing accident repairs, and 2-3 vehicles may be in for routine maintenance. That can leave just 4-6 vehicles available, sharply limiting choice by vehicle type, location, and timing.

For insureds or claimants, limited choice can mean longer waits, an unsuitable vehicle, inconvenient pickup locations, and a poorer experience. Vecto expands the search beyond a single branch or provider, giving adjusters more ways to secure practical replacement transportation when conventional rental inventory is tight.

Higher daily rental rates: Providers prioritize utilization and profitability, increasing pressure on rental costs.

Tighter vehicle availability: Little excess inventory remains when demand rises.

Longer repair cycles: Extended repairs keep replacement vehicles in use for longer periods.

Provider limitations: A preferred company, location, or vehicle class may not have suitable inventory.

The result: replacement transportation is increasingly a sourcing challenge, not a simple booking. Adjusters may need to search multiple providers, coordinate alternatives, and manage expectations for the insured or claimant.

2. Why Availability Matters More Than Fleet Size

A larger fleet does not necessarily mean usable inventory when an insured or claimant needs transportation. The key question is whether the right vehicle is available at the right location, at the right time, and at a rate that makes sense for the claim.

That makes availability a network problem—not simply a single-provider problem. More accessible sources can increase the opportunity to find a practical solution when conventional inventory is constrained.

3. The Operational Cost of a Constrained Market

Rental expense is only part of the equation. A constrained market also consumes adjuster time and creates friction in claims operations.

Pressure Point	Impact
Daily Rates	Higher daily rental costs can increase replacement expense.
Limited inventory	More time may be required to locate available vehicles.
Longer rentals	Extended repairs can keep replacement vehicles committed longer.
Provider constraints	A preferred provider may not have the needed vehicle or location.
Insured or claimant experience	Delays and limited choices can create frustration and additional communication.

4. The Vecto Solution

Vecto Principle	How It Helps
More options	Connects multiple transportation sources for greater flexibility.
Lower rates	Broadens the network so teams can explore competitive rental and mobility options.
Fast customer service	Streamlines sourcing to reduce waiting, searching, calling, and coordination.

5. One Platform. More Ways to Find a Vehicle.

Vecto brings multiple mobility options into one workflow so adjusters can access additional sources without managing each one independently.

1M+	5,400+	50
VEHICLES	LOCATIONS	STATES

The ecosystem can accommodate traditional car rental, ridesharing, and any other transportation source that is viable for rental replacement. Peer-to-peer transportation is on

Vecto's radar as a potential option when conventional rental inventory cannot meet an insured's or claimant's needs.

6. What a Vecto Overview Can Do for Insurance Teams

Leverage better data: Address real-world operational bottlenecks.

Identify needed resources: Surface opportunities and the transportation resources required.

Move faster: Use streamlined workflows designed for daily claims operations.

Expand rental options: Access traditional rental and rideshare options through one vendor-neutral platform that is flexible enough to support any transportation source viable for rental replacement. Peer-to-peer transportation is on Vecto's radar as a potential option.

Compare available rates: Explore a broader mobility network for competitive options.

Simplify the process: Reduce time spent searching, calling, and coordinating.

Improve the insured or claimant experience: Provide more transportation choices while helping reduce potential out-of-pocket costs.

7. Practical Outcomes for Adjusters and Insureds or Claimants

A vendor-neutral rental replacement model is ultimately about making claims easier to navigate. For adjusters, that can mean fewer manual steps and more choices. For insureds or claimants, it can mean a faster path to transportation that fits their needs.

- ✓ Broader transportation choice when traditional inventory is constrained.
- ✓ Greater visibility into available options and rates.
- ✓ Less time spent contacting and coordinating multiple providers.
- ✓ More flexibility when an insured or claimant needs a particular vehicle or location.
- ✓ A more streamlined experience for the adjuster and insured.

8. Conclusion

The 2026 rental market presents a new operating reality. Fleet sizes may have recovered, but availability can remain tight as rental companies manage inventory for utilization and profitability. Higher rates, longer repair cycles, and provider limitations can make replacement transportation harder to source.

A vendor-neutral mobility strategy can broaden transportation options while simplifying the work required to find them. Vecto's model—one platform, more ways to find a vehicle—is flexible enough to support any transportation source that is viable for rental replacement, with peer-to-peer transportation on Vecto's radar as a potential option.

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