

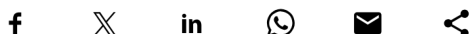
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Inflation is a many-sided variable that insurers find difficult to predict



By Sarah Si | 18 Jun 2025

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Inflation has a multifaceted impact on insurers and consumers, QBE Asia CEO Rob Kosova said in an exclusive interview.

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He told *Asia Insurance Review* that one side is the inflation insurers look at when reserving for claims. This is because of long-tail classes where insurance companies need to predict what the cost may be over a five- to 10-year life cycle for a range of payouts, including medical treatment costs in worker's compensation.

"And inflation can be a significant variable that is very difficult to predict," he said.

Effects of inflation on consumers

But the bigger impact is on consumers, businesses and business owners, Mr Kosova pointed out. And while insurance is a necessity, he also noted that it is not always mandatory.

He said, "What that means is it can be one of the first things to go when businesses are not confident and they are worried about cash flow. They look at their annual consumable spend, and if insurance is one of those, they might decide to reduce the level of cover."

It would also translate into an impact on insurance businesses offering products to consumers, he said.

"More importantly, it has an impact on customers trying to manage that tension between short-term need, long-term protection and managing the 'what if' scenario," he said.

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