

THE SURVIVORS OF COVID19

Impact of the Corona virus is going to have far reaching impact in coming years in terms of health, safety and overall economic development. The question is: **How Much?**

Some general consensus which might be of interest right now are as follows:

World Economy: The general consensus is that there will be a minimum of a 1 percent decrease in Global GDP growth.

Tourism: Travel and tourism will remain subdued for initial few quarters, and this sector is going to be in maximum pain.

Health Insurance: This sector is the epicenter of insurance for COVID 19. Hospitalization claims may rise worldwide. However, history shows that SARS and Swine Flu epidemic have only **increased the purchase of insurance** in the long run. In short term this sector may suffer, however carriers who sustain these hard times may be well placed for higher growth in future.

Travel Insurance: This sector may be subdued for quite some time owing to reduced travellers across the world. However, percentage of travellers opting for travel insurance will **increase in the future.**

Cyber Risk: Companies across the world are experimenting work-from-home as an alternative to physical presence in the office. This may cause extra risk to insurance companies for cyber security and data privacy, but this will **increase the adoption of cyber risk insurance**, which will continue to be one of the fastest growing insurance segments.

Overall insurance companies with diversified business, sound investment patterns and good reinsurance coverage will survive and grow after some short-term pain. In long run, insurance industry has become stronger with each crisis—**and that's what insurance is all about!**

Opinion courtesy of: <http://iireporter.com/how-covid-19-may-impact-the-insurance-industry/>



Praesidio remains committed to assisting our brokers in navigating these difficult times towards a stronger future!