

# SME INSURANCE INDEX 2019

Helping navigate in  
an era of change



Committed to your success

<b>Introduction</b>	3
<b>Findings</b>	5
<b>Chapters</b>	
How broker usage is changing	7
Changing attitudes towards broker expertise	13
Building brokers' roles as trusted advisers	17
Making the claims process easier for SMEs	21
Opportunities in risk management	27
Research methodology	34

# Introduction

Since our first report in 2012, the Vero SME Insurance Index has examined trends for SMEs and their insurance purchasing behaviour and what these changes mean for our broker partners. In keeping with this tradition, we are very pleased to present the eighth edition of the Vero SME Index, providing brokers with market-leading insights on SME attitudes, expectations and behaviours to help you succeed in this era of change.

Vero has a long and proud history – over 180 years – of providing quality insurance products to Australians. Our over-arching mission is to ensure your business' success, empowering brokers to better understand, service and connect with their customers.

Every year we gather feedback from the broking community to keep the Vero SME Insurance Index relevant and of value. We thank those who have taken the time to share their thoughts and experiences on the ever-changing landscape of insurance.

You asked us to build on the findings from last year's report, so we specifically tailored our research questions to delve into the most pressing issues facing Australian insurance brokers today.

Last year, we identified that many SMEs buy their insurance using a combination of brokers and direct channels. This trend appears to be continuing, so we have taken another look at the data to gain further insights. Also of interest is the interplay between SMEs' understanding of the complexity of insurance and their perceptions of brokers' expertise.

Lastly, we look at how brokers can position themselves to ensure they are seen as experts with a clear role to play throughout the insurance process.

The report itself has gained an industry-wide reputation for being credible, thorough and relevant, providing a benchmark for the industry to track its progress over the last decade. This year's findings are no exception.

The research shows several ways in which brokers can grow relationships with both current and future SME clients, rebuilding their confidence in our profession and adding even more value. Across the board, it's evident that, with the right understanding, insights and tools, brokers have the power to create client connections that are both resilient and mutually beneficial, so we look forward to supporting you with some of these initiatives throughout the year as an extension of the SME Insurance Index Report launch.

We are proud to commit to providing ongoing support and insights to brokers, and hope that these findings are helpful as you and your brokerage plan for the year ahead.

A stylized, handwritten signature in black ink, appearing to read 'Anthony Pagano'.

**Anthony Pagano**

Vero Head of Commercial Intermediaries



“ A broker, if he had knowledge, expertise, experience ... I don't care what you charge me. I'll pay. ”

Nada, *Florist*



A close-up photograph of a person's hand holding a white receipt that is emerging from a black receipt printer. The printer is resting on a wooden surface. The background is blurred, showing some greenery and a wooden structure. A diagonal grey line separates the image from the text on the right.

# Findings

Our 2019 report focuses on the state of our industry and the key areas of interest include:

- How broker usage is changing
- The reasons SMEs use brokers
- Building brokers' roles as trusted advisers
- Making the claims process easier for SMEs
- Opportunities in risk management



“ I'd like to get everything through a broker, primarily because there are so many insurances that I have that it's just hard to keep track. ”

Mario, *Storage*



# How broker usage is changing

The trend of SMEs buying via a variety of channels continues to grow, and this has big implications for the ways in which brokers do business.

## Key insights

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①

More SMEs are using a mix of brokers and direct channels to buy their insurance, with 60% buying some, but not all, of their insurance through a broker.

②

Those SMEs under 40 years of age and who think that brokers aren't up to date, are even more likely to use a mix of channels.

③

SMEs tend to buy their more complex covers, such as indemnity or industrial special risks, through brokers, while buying simpler covers, like motor vehicle or workers compensation, direct.

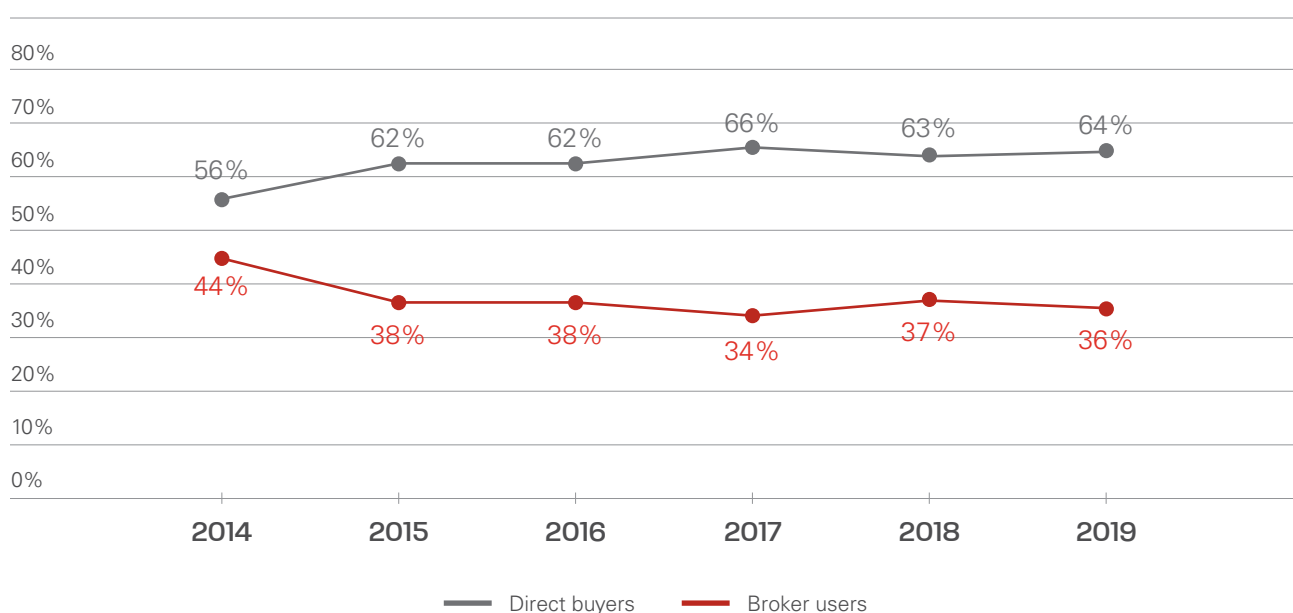
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Before delving into the ways in which brokers can improve their client relationships, it's important to understand how broker usage is changing – and it has been changing for quite a while.

While broker usage is stable this year, with around 36% claiming to use a broker and 64% buying direct (see Figure 1.1), insurance purchasing behaviour is becoming more and more complex. With many different purchasing options available, buying through both brokers and direct channels is now very common – and it's increasing significantly.

**Figure 1.1:** Last insurance purchase by channel





In 2019, 60% of SMEs claimed to buy between 1% and 89% of their insurance from a broker, which is up from 42% last year (see Figure 1.2), and only one-quarter of respondents stated that they do not use a broker at all.

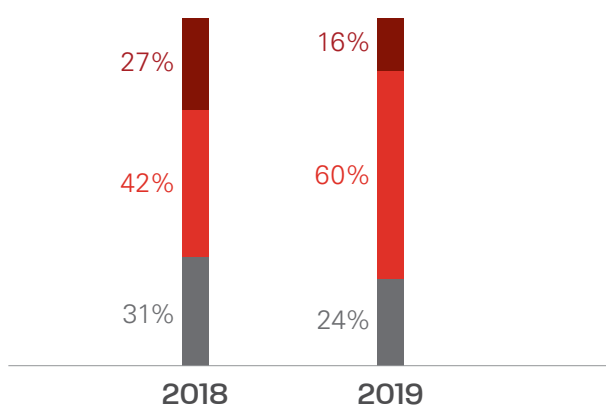
This means that many brokers have at least some level of relationship with a large portion of Australian SMEs. These relationships put brokers in good stead, giving them a strong starting point from which to build deeper levels of engagement.

The data reveals that there are two groups of SMEs who are even more likely to use a combination of channels when buying their insurance. First of all, almost four in five SMEs under 40 years claim to use a mix of channels (see Figure 1.3).

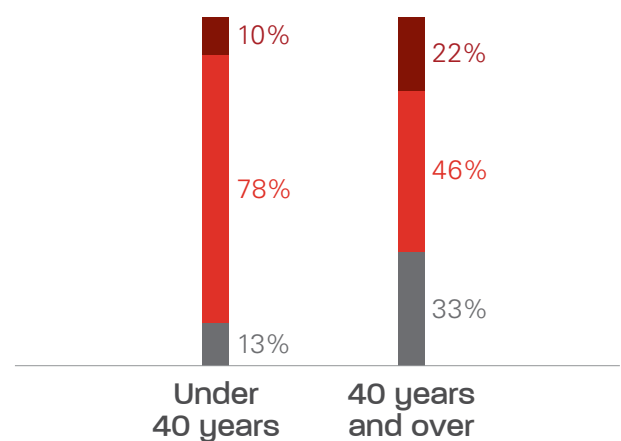
### BROKER TIP

Be dynamic and willing to adopt current ways of working. This will help your brokerage remain relevant to the younger generation of SMEs and ensure they see the value of working with a broker.

**Figure 1.2:** Percentage of insurance purchased through a broker



**Figure 1.3:** Percentage of insurance purchased through a broker, by age



■ Non-users (0%) ■ Mixed users (1-89%) ■ Heavy users (90-100%)

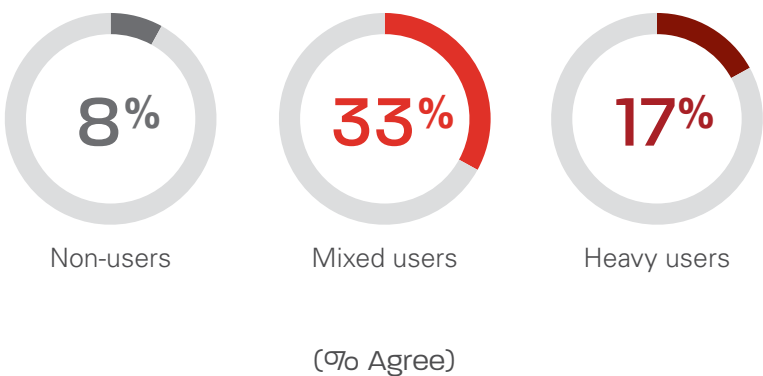
# Chapter

## How broker usage is changing

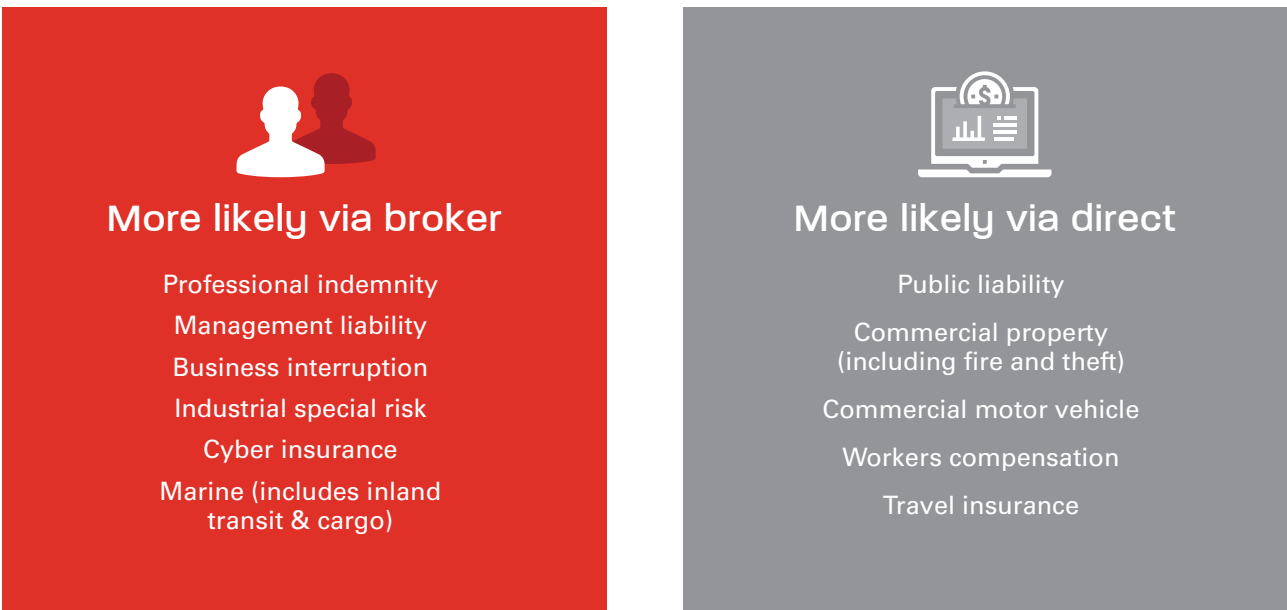
Similarly, attitudes towards brokers can make a difference to an SME's tendency toward mixed usage. In particular, if SMEs believe that brokers are not up to date with current ways of working, they are more likely to use a combination of purchasing channels. One-third of mixed users believe that brokers aren't up to date, compared to less than one in five heavy broker users and less than one in 10 non-users (see Figure 1.4).

Knowing that a significant number of SMEs buy their insurance through a variety of channels raises an obvious question – which covers do they buy through a broker and which do they buy direct? (See Figure 1.5.)

**Figure 1.4:** Those who think that brokers are not up to date with current ways of working



**Figure 1.5:** Policies purchased by channel



While this breakdown may suit brokerages who prefer to focus on more complex, high-value covers, it means that brokers don't get to manage the whole of their clients' insurance and risk needs, which impacts their ability to act in a broader capacity as a risk adviser.

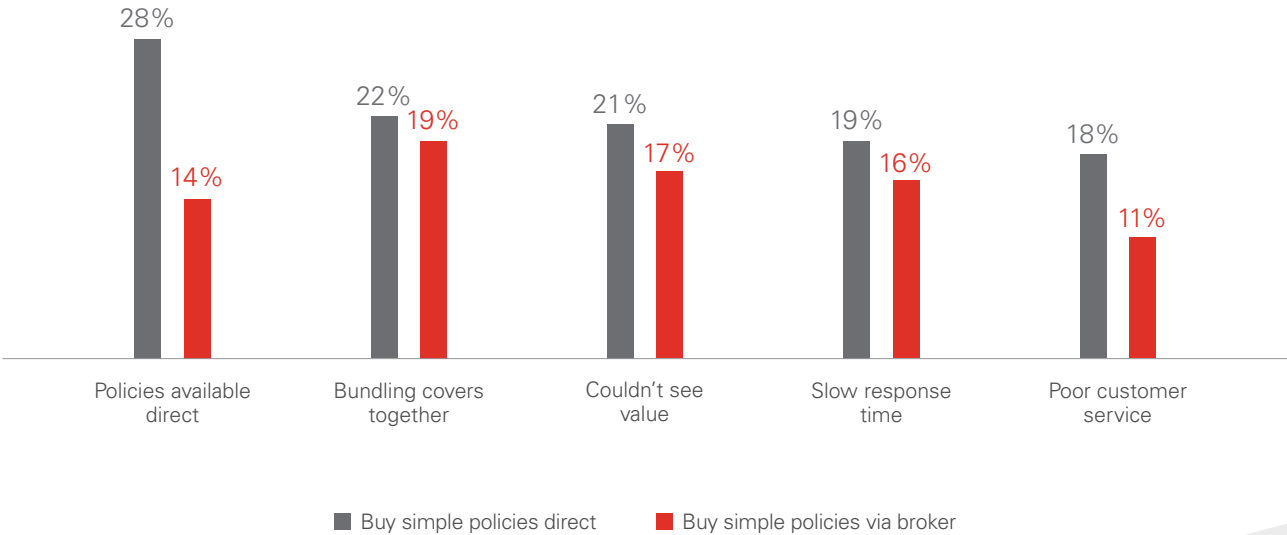
Focusing on SMEs who choose to buy their simpler policies direct, the research finds that they're moving away from brokers for a range of reasons. The main reason is simple availability, with 28% saying that they are using a broker less because the policies they need are available direct (see Figure 1.6).

Particularly concerning is that 21% simply can't see the value that brokers add, providing further evidence of the need for brokers to demonstrate value and expertise to their clients.

### CONSIDERATIONS FOR BROKERS

- Brokers need to build and strengthen relationships with existing clients to ensure that their clients are buying as much of their insurance through them as possible.
- Is it optimal for brokerages to focus only on more complex covers or are they missing opportunities for volume and deeper relationships by not selling simpler covers? This is an important strategic business decision that brokers need to consider.

Figure 1.6: Reasons to use brokers less





“ They're people who are keen within the industry and understand the issues. ”

*Yarek, Architectural Design*





# Changing attitudes towards broker expertise

As SMEs are finding more insurance information online, some are gaining a falsely simplified view of increasingly complex products. There is a direct link between these skewed perceptions and the uptake of broker expertise.

## Key insights

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①

SMEs claim to find most insurance tasks relatively easy, even more complex tasks such as evaluating the insurance needs of their business.

②

The number of SMEs who value, and work with, brokers because of their expertise, is declining.

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# Chapter

## Changing attitudes towards broker expertise

Those who know insurance well understand how intricate it can be. But the research has found that SMEs don't necessarily feel the same way. This means that brokers need to educate SMEs on the complex nature of insurance tasks – and the potential repercussions of not doing them correctly.

As a result, this year, for the first time, SMEs were asked how easy they find a range of insurance tasks, from administrative details to deciding the right insurance cover for their business.

The data shows that most SMEs are relatively comfortable with the majority of insurance tasks. Unsurprisingly, a large majority (78%) find administrative tasks such as contacting their insurer or changing their details relatively easy (see Figure 2.1).

More worryingly, three-quarters of SMEs claim to find evaluating the insurance needs of their business easy.

This includes understanding the risks that face the business and determining appropriate levels of coverage, which are highly complex undertakings that require expert, professional advice.

Without this expertise, SMEs are at significant risk of being under-insured or having inappropriate insurance for their needs. There is a clear and concerning lack of understanding about the complexities of insurance and the risk of under-insurance.

By exploring the behaviours of those SMEs who claim to find evaluating insurance needs easy, several clear trends emerge (see Figure 2.2):

- They are more likely to be using a broker less than they used to.
- They tend to choose to purchase their insurance direct because it's easy.
- They are more likely to have never done a formal risk analysis of their business.

These trends illustrate that SMEs have a relatively low level of involvement in insurance and may not be fully cognisant of the risks facing their business. The belief that understanding insurance is easy also impacts the perceptions of insurance broking as a profession. If evaluating insurance needs is easy, then what need is there for an insurance broking professional?

Expertise has always been one of the main reasons for SMEs to use a broker and it's a core element of the broker value proposition. But this year the data shows a marked drop in the number of SMEs who say that they use a broker because of their expert knowledge and advice, from 39% last year to 32% this year.

This is a significant concern as it strikes at the heart of the unique benefit brokers can deliver their clients and suggests brokers need to continually communicate and build awareness of the importance of their expertise and advice (see Figure 2.3).

Figure 2.1: Perceived ease of insurance tasks



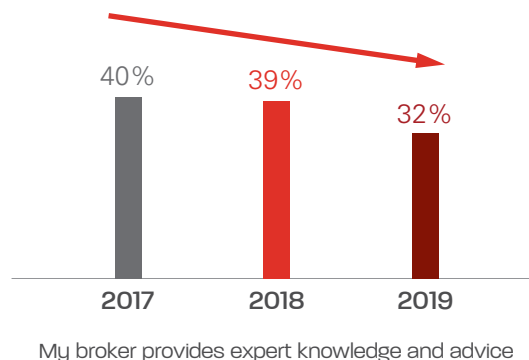
### BROKER TIP

Be more proactive and provide information and in-depth analysis. (For example, comparisons of different policies, reasons for recommending certain policies and levels of coverage.) If you take these steps, clients will be more likely to appreciate your expertise.

**Figure 2.2:** Profile of those who find evaluating insurance needs easy

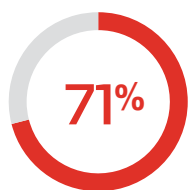
	Find evaluating insurance easy	Don't find evaluating insurance easy
Using a broker less (% yes)	<b>51%</b>	<b>38%</b>
Purchase insurance direct because it's easy	<b>46%</b>	<b>26%</b>
Have never done a formal risk analysis	<b>36%</b>	<b>13%</b>

**Figure 2.3:** % who use brokers due to their expert knowledge and advice



**Figure 2.4:** Profile of SMEs who use brokers because of their expert knowledge and advice

Business feels confident in meeting potential risks



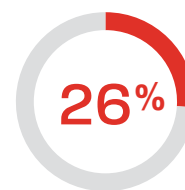
compared to **56%** of total respondents

Higher broker satisfaction



compared to **66%** of total respondents

No reduction in broker usage



have reduced broker use compared to **47%** of total respondents

When SMEs do value the expertise of their broker, this tends to correlate with more positive experiences all round, as SMEs who value expertise are more likely to feel confident that they are prepared to meet risks, are more satisfied with their broker and are less likely to reduce broker usage (see Figure 2.4). Brokers need to think about how they can demonstrate the value and

expertise they bring to SMEs, so clients better understand the benefits of using a broker.

By looking at the tasks that brokers undertake on their clients' behalf, the research shows that SMEs who regard their broker as an expert are more likely to be receiving proactive service from their broker, with brokers undertaking more complex, value-added tasks such as:

- Assessing the risk profile of the business and recommending appropriate policies
- Checking up on changes to the business that may impact insurance
- Providing in-depth information and analysis of the options available, and
- Providing information on changes to insurance.

## CONSIDERATIONS FOR BROKERS


- There is a strong need for education about the importance of getting insurance right to ensure that SMEs understand the complexities and potential risks if they don't get expert insurance advice.
- Communicating and demonstrating the expertise of the broker is critically important. Brokers need to reinforce perceptions of expertise through delivering more in-depth analysis and information.



“ If they just walk through with me to help me assess my risk, I think that'd be a wonderful relationship that would definitely earn my trust. ”

Luke, *Bakery*





# Building brokers' roles as trusted advisers

Trust is an integral factor when building any relationship, and it's particularly important for brokers. That's why it's important to investigate the reasons why trust in insurance has dropped sharply in the last year.

## Key insights

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①

All relevant measures of trust have worsened this year.

②

In particular, an increased number say that they can't trust insurance brokers.

③

Brokers who undertake more in-depth analysis and provide information are more likely to have clients who trust them.

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The decline of trust is a major trend in developed societies in recent years, with many studies pointing to falling trust levels in government, business and major institutions. 2018 was a tumultuous year in financial services, so the research reviewed a number of trust-related statements to gauge impact.

Earlier editions of the SME Index observed that relatively high numbers of SMEs agreed with the statement “recent events have made me wary of the insurance industry” and it was hypothesised that this was due to the aftermath of the Queensland floods in 2011.

For several years the research saw this measure decline and stabilise. However, this year’s research shows a dramatic jump, with almost half of respondents now agreeing with this statement (see Figure 3.1).

Brokers need to be aware that many SMEs are particularly wary of the insurance industry at the moment and would value reassurance and transparency to rebuild trust. Turning specifically to trust in insurance companies

and brokers, both measures have declined this year. This year 43% said that they can’t trust insurance companies, up from 35% in 2013. Brokers suffered an even greater drop in trust, with 33% saying they couldn’t trust brokers, up from just 16% in 2013 (see Figure 3.2).

This lack of trust in brokers appears to be filtering through to consideration of using brokers in the future. In fact, 44% of those who say that they can’t trust brokers would not consider using a broker in the future, compared to 29% of the total population (see Figure 3.3).

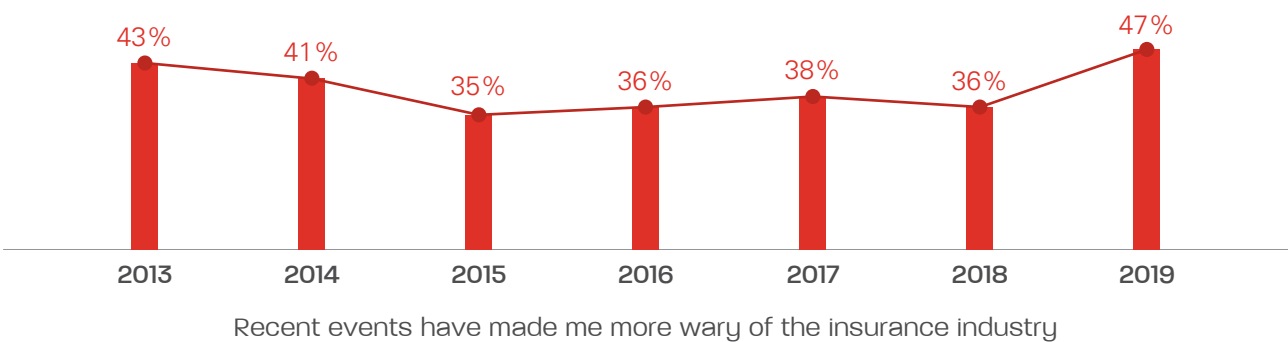
Meanwhile, SMEs with a broker who agree that insurance brokers cannot be trusted are less likely to be satisfied with their own broker (only 57% satisfied compared to 66% of all broker users).

This indicates that brokers are going to need to work hard to rebuild trust in a sensitive environment if they want to improve client satisfaction levels and, therefore, retention.

Those SMEs who agree that brokers cannot be trusted are far less likely to have brokers who undertake tasks such as providing in-depth information and analysis, assessing risk profile and checking up on changes to the business (see Figure 3.4).

This suggests that brokers can help increase trust by providing clients with a higher level of value-added activity that provides transparency.

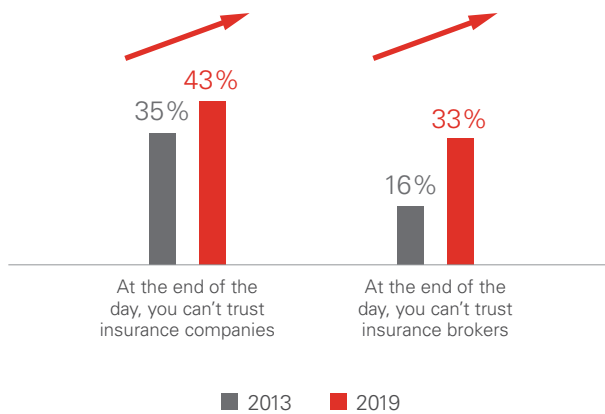
Figure 3.1: Agreement that recent events have made me more wary of the insurance industry



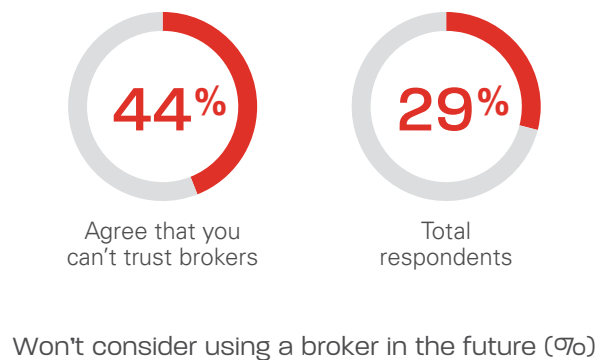
**BROKER TIP**

Work more closely with your clients on tasks and projects that demonstrate your expertise. Give your clients valuable insights into what you do for them by explaining your decision-making process.

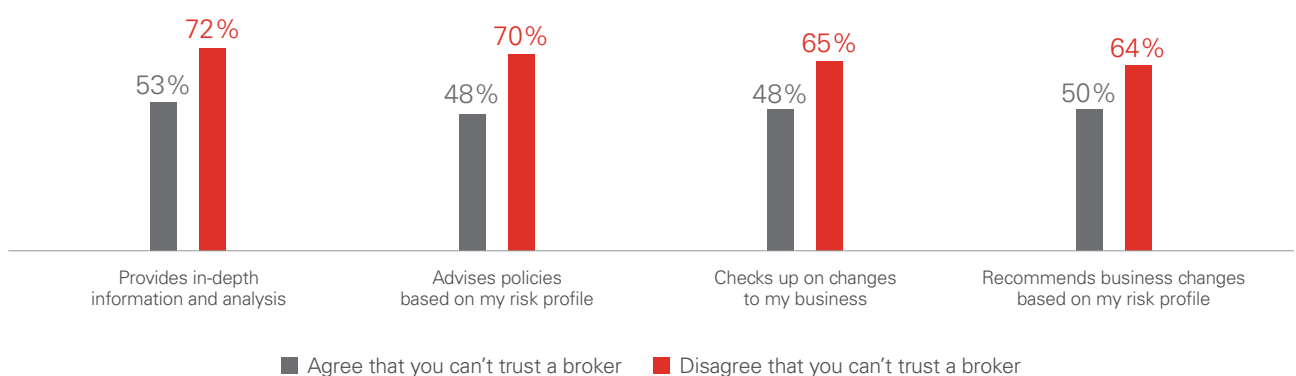
**Figure 3.2: Agreement with trust statements**



**Figure 3.3: Consideration of using a broker in the future, by trust of brokers**



**Figure 3.4: Tasks that brokers undertake on clients' behalf, by trust of broker**



## CONSIDERATIONS FOR BROKERS

- Trust is a significant issue in society at the moment – what can the broking profession do to rebuild trust and reassure nervous clients that they are in safe, trustworthy hands?
- Brokers should think about undertaking more analysis and risk profiling on behalf of their clients, because this is correlated with increased trust.





“ Having that one person you deal with that can help you from the beginning to the end of a claim ... is a lot easier.”

*Buddy, Party Equipment Hire*





# Making the claims process easier for SMEs

Putting in an insurance claim can be a very stressful time for owners and decision-makers of SMEs, and this is where brokers can best demonstrate their value.

## Key insights

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①

While most SMEs are satisfied with their claims experience, levels of dissatisfaction have risen, even amongst broker clients.

②

The main reason that SMEs feel dissatisfied with the claims process is because they don't understand what the process is.

③

If brokers are involved in the claim process, clients are likely to be more satisfied and less likely to feel that the claim is complex.

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Many brokers believe that their ability to handle claims on behalf of their clients is one of their biggest assets. Therefore brokers can enhance their delivery to clients by better understanding SMEs' perceptions of the role that brokers play in claims.

In general, SMEs' satisfaction with their claims process has been relatively good, although there has been a drop in satisfaction levels over the last year. According to the research, just under half of those who have made a claim felt satisfied with the process (see Figure 4.1).

Even amongst broker clients, satisfaction levels have declined (see Figure 4.2). Broker clients tend to be slightly more satisfied, but the gap between direct

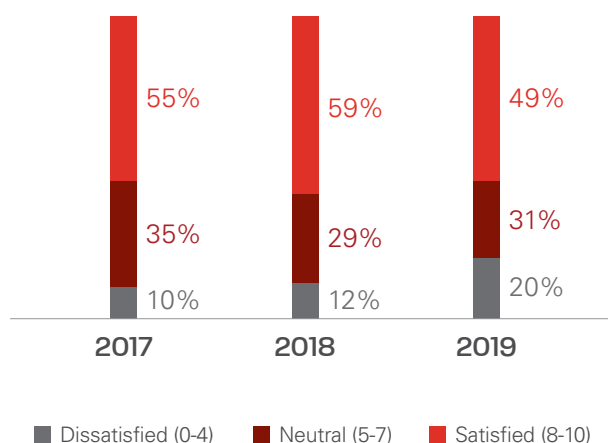
buyers and broker users needs to be more significant if brokers are able to legitimately use claims as part of their benefit to clients.

So, what makes a claims experience unsatisfactory? By far the biggest cause of dissatisfaction is a lack of clarity about the process, with just over half of dissatisfied claimants saying that this is one of the reasons for their dissatisfaction (see Figure 4.3).

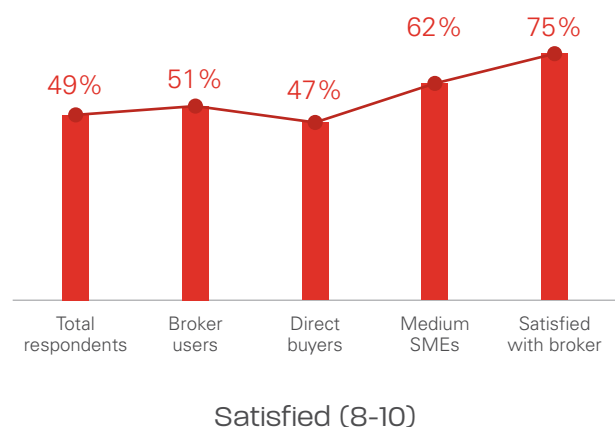
While other factors, such as time to process and only receiving a partial amount of the claim, also play a role, none of these come close to lack of clarity in terms of importance.

Therefore, helping clients to understand what will happen during the claims process is the single best way brokers can help improve satisfaction with claims.

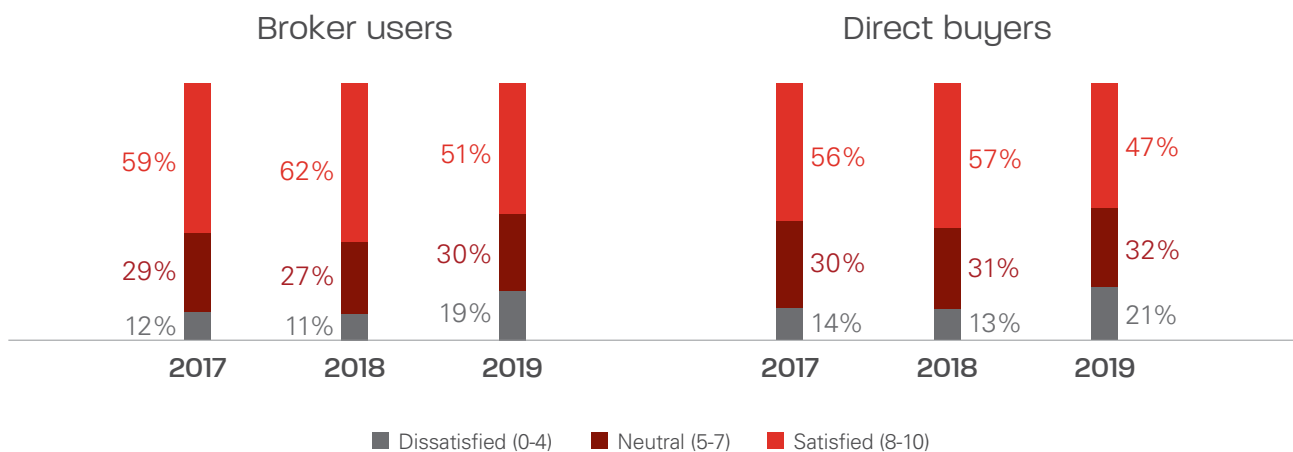
**Figure 4.1:** Satisfaction with claims experience amongst all SMEs who have made a claim



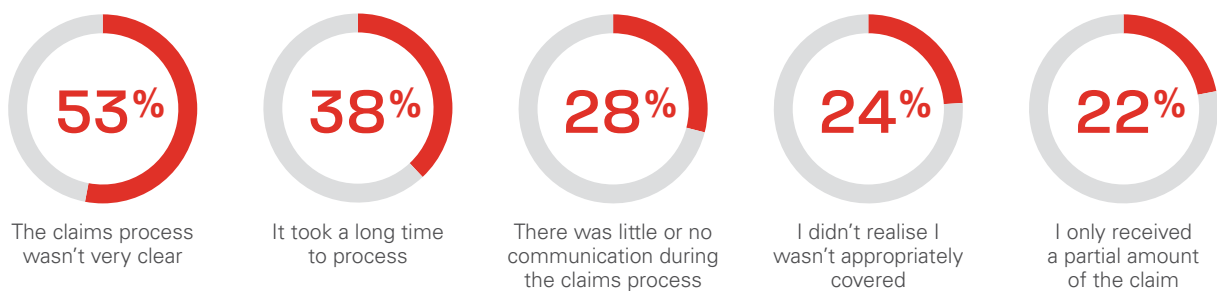
**Figure 4.1a:** Satisfaction with claims experience by SME segments



**Figure 4.2:** Satisfaction with claims experience, by broker usage



**Figure 4.3:** Reason for dissatisfaction with claims experience



## Chapter

### Making the claims process easier for SMEs

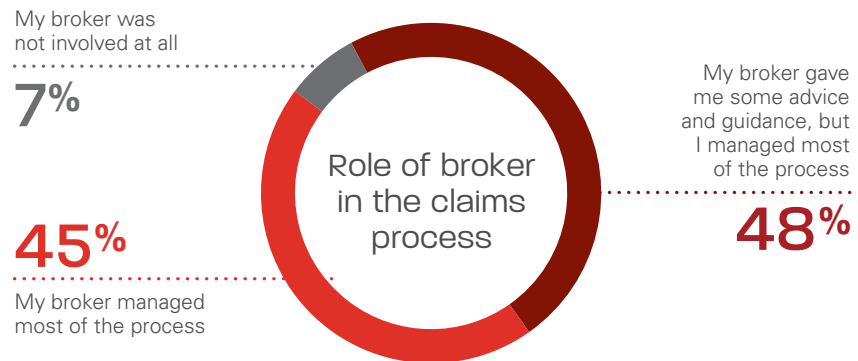
The involvement of brokers in the claims process appears to vary widely. Around 45% of broker clients who have made a claim say that their broker managed most of the process, while another 48% said that the broker provided some guidance, but the SME mostly managed it themselves. A total of 7% of those surveyed said their broker wasn't involved at all (see Figure 4.4).

The level of involvement of brokers has an impact on how complex the claim is seen to be. Overall, just over one-third (37%) of those who have made a claim say that their claim was complicated.

However, this jumps to 58% for those who mostly manage the claim on their own, compared to 30% when a broker managed most of the process.

The more involved the broker is, the less likely the claimant is to feel that their claim is complex. Brokers therefore help to simplify the process, bringing a real benefit to SMEs who need to make a claim.

**Figure 4.4: Role of broker in the claims process**



Similarly, the level of broker involvement also positively influences satisfaction. Those SMEs who mostly manage their own claim are considerably less satisfied than those whose brokers manage the claim for them, which is further evidence of the value that brokers bring to the claims process (see Figure 4.5).

Finally, the research asked broker users how different they think their claims experience would have been if the broker wasn't involved.

A total of 41% of all SMEs, and 60% of medium-sized SMEs, felt that the experience would have been much harder if their broker hadn't been involved.

This is a powerful message that brokers can confidently share with clients and prospective clients to demonstrate the value that brokers bring (see Figure 4.6).

### BROKER TIP

An important factor when it comes to maintaining client satisfaction levels during claims time is ensuring you effectively manage your client's expectations. Take the time to have an open and honest discussion with your client when they put in a claim, talking them through the process, giving them a timeline and advising them on the likelihood and degree of their claim's success.

## CONSIDERATIONS FOR BROKERS

- The claims experience is better for SMEs when brokers are involved – this is a key advantage and one that brokers can use to explain the benefits they bring.
- Lack of clarity is the biggest single cause of dissatisfaction with claims. Brokers should think about how to help their clients understand the process and what will happen.

Figure 4.5: Role of the broker, by dissatisfaction with claims experience

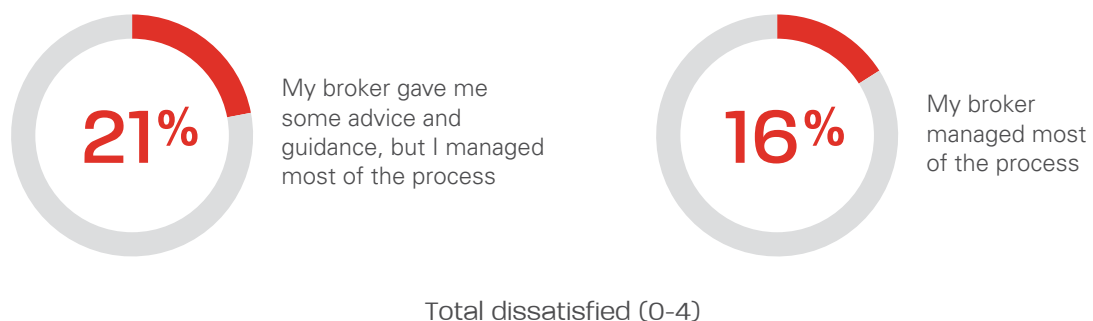
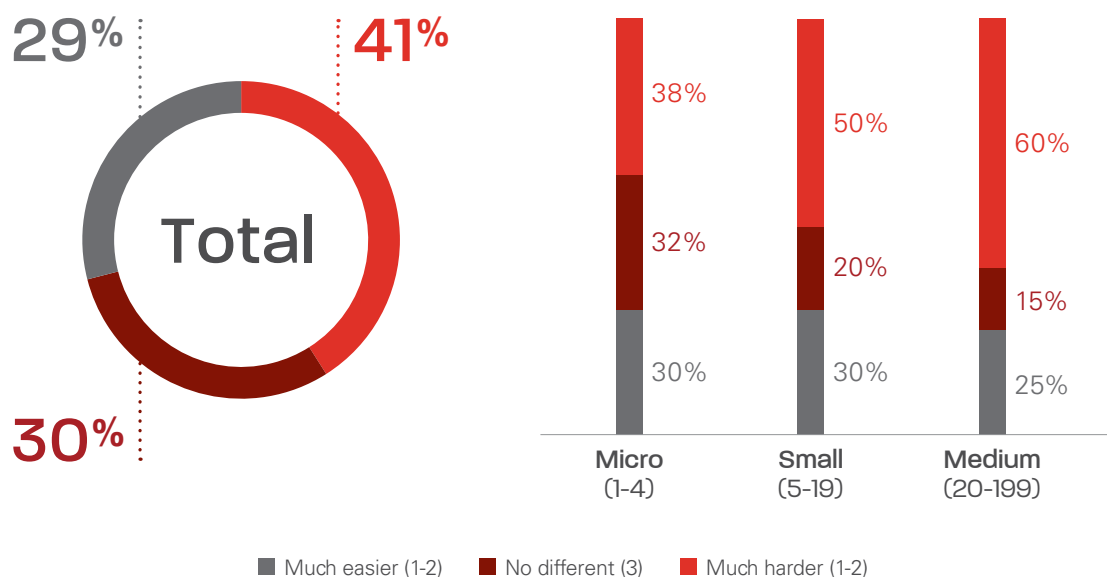


Figure 4.6: Perceptions of claims experience if broker wasn't involved







“ The more you can mitigate risk, the more amazingly efficient and robust the quality of output is. ”

Luke, *Bakery*



# Opportunities in risk management

Appropriately managing risk is a huge area of growth for brokers, and it's an opportunity many brokerages should be doing more to cultivate amongst their SME clients.

## Key insights

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①

An increasing number of SMEs would like to receive information about risk management from their broker.

②

Most SMEs feel relatively confident about their preparedness to deal with risk, but satisfied broker clients are significantly more confident.

③

Many SMEs conduct regular risk analyses of their business, generally prompted as part of an annual strategic review or insurance renewal.

④

The main role for brokers is seen as advising on insurance policies and coverage, with only small numbers seeing brokers as risk advisers.

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Risk appears to be a relevant topic for SMEs at the moment. When asked what information they'd be interested in receiving from their broker, an increasing number would like a risk analysis, information about general business risks and real life examples of businesses with similar risks (see Figure 5.1).

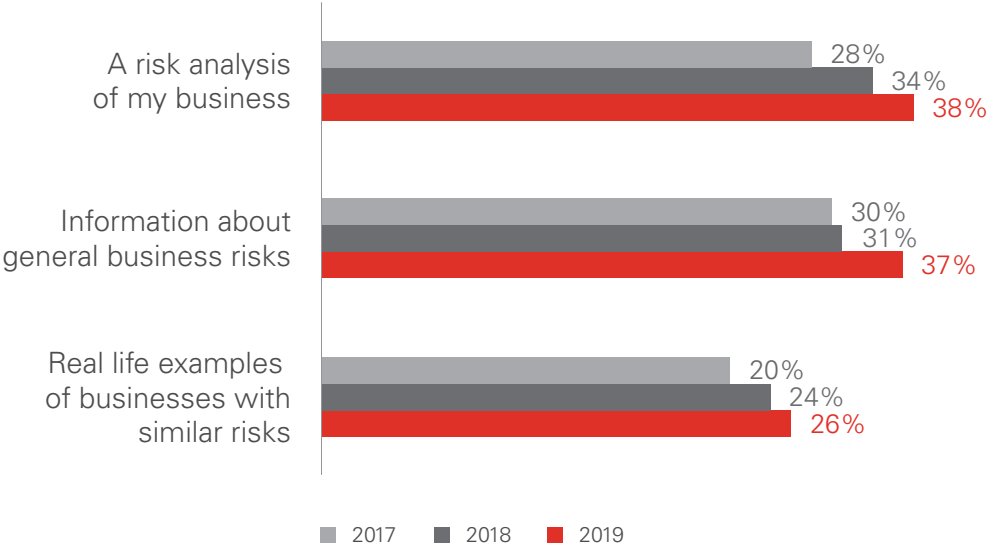
This suggests that SMEs have a strong appetite for risk-related information and

that brokers should consider sharing information about risk more frequently – it is not only relevant but will also help drive perceptions of broker expertise.

For the first time, this year the SME Insurance Index asked SMEs how confident they feel that their business is prepared to meet potential risks. In general, confidence levels are relatively high with over half of SMEs saying that they feel

somewhat or very confident. However, these confidence levels increase with broker usage. A total of 59% of all broker users feel confident, and 69% of those who are satisfied with their broker feel confident (see Figure 5.2). This suggests that a good relationship with a broker can play an important role in helping SMEs feel prepared to face risks.

**Figure 5.1:** Information I'd like to receive from my broker

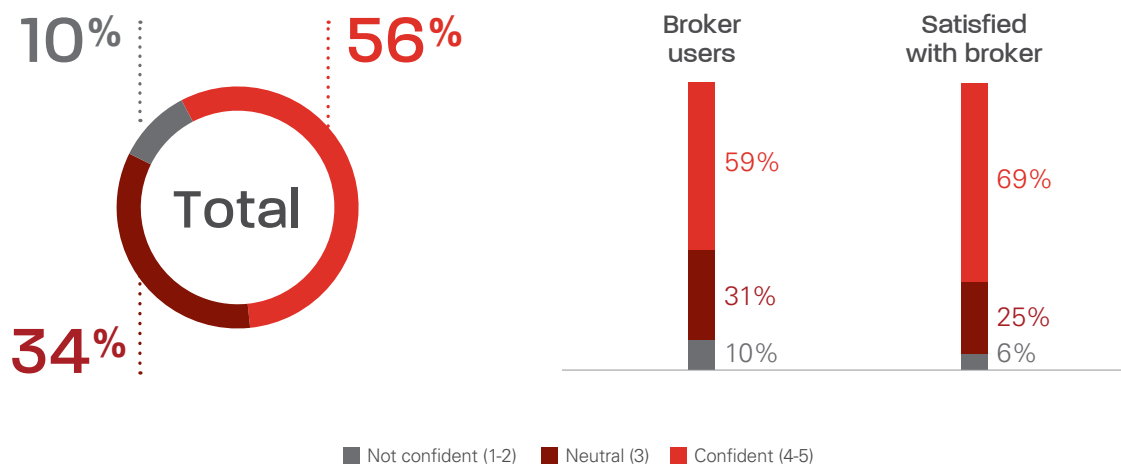


Conducting regular risk analysis is an important element in ensuring SMEs are prepared to manage the risks that face their business. The research shows that broker clients are more likely

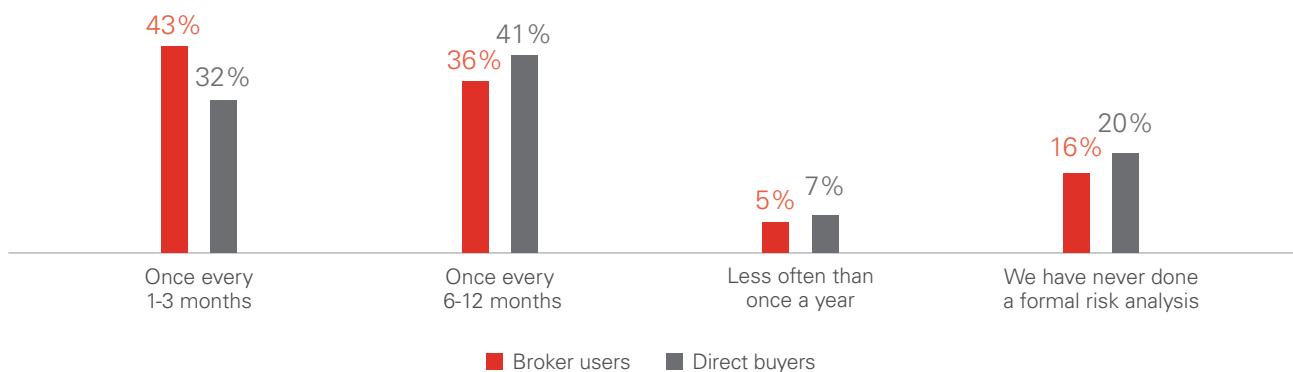
to conduct risk analysis more frequently, with 43% saying they do risk analysis every one to three months, compared to 32% of direct buyers (see Figure 5.3). Conversely, direct buyers are

more likely to say they have never done a formal risk analysis, which is more evidence of the value and importance of brokers.

**Figure 5.2: Confidence that business is prepared to meet potential risks**



**Figure 5.3: Frequency of risk analysis**





# Chapter

## Opportunities in risk management

However, 16% of broker clients also say that they've never conducted a formal risk analysis, which suggests there is a need for some brokers to think about how to encourage their clients to do more regular risk analysis. For many SMEs, risk analysis is

prompted as part of an annual review process or when renewing insurance (see Figure 5.4).

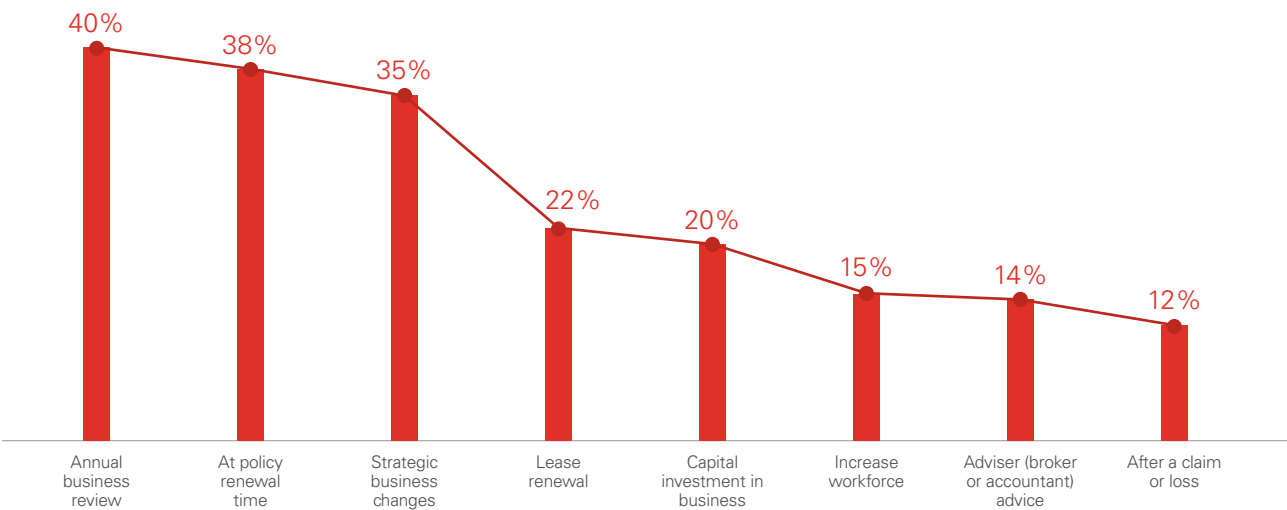
However, only 14% say that they undertake risk analysis when prompted by an adviser such as a broker or accountant.

This is a disappointing result as it suggests that brokers are not seen as being highly involved in the risk analysis process, and that there is a significant opportunity for brokers to be seen to be more proactive and visible when it comes to risk.

### BROKER TIP

Talk to your clients about your risk advisory capacity, explaining in detail the expertise and services your brokerage offers in this area.

Figure 5.4: Risk analysis prompts



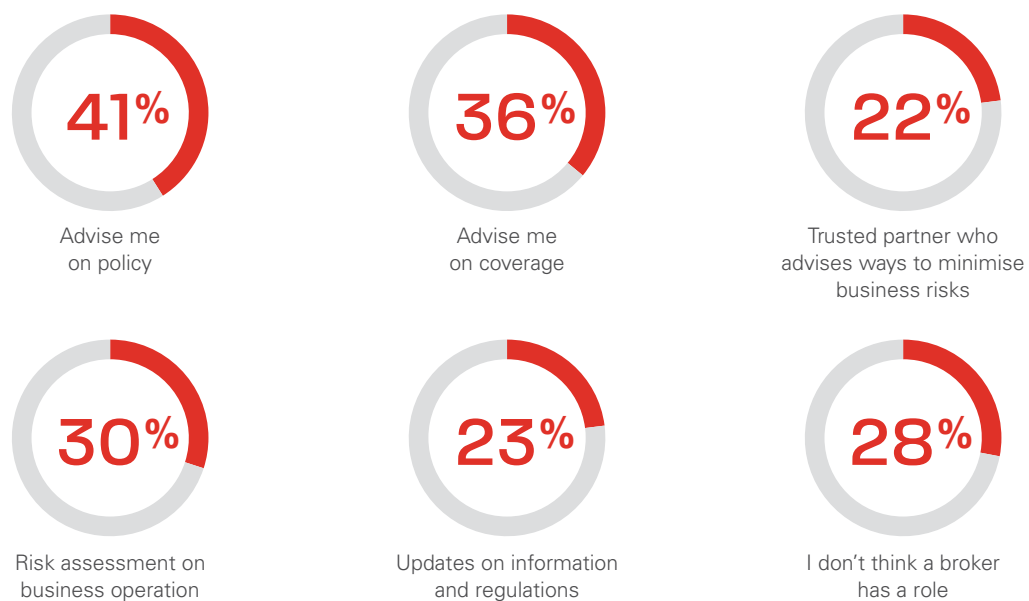
If brokers aren't seen as a major prompt to undertake risk analysis, what role do SMEs think brokers play in helping them prepare their business against potential risks? This shows that SMEs mostly believe that the broker's

role lies in advising on insurance policies and coverage, and less so on overall risk assessment.

For example, 41% believe that the broker's role is to advise on the type of policy to choose,

while only 30% think that brokers should provide them with a risk assessment to ensure the business operation is set up to minimise risk. Less than a quarter see their brokers as trusted risk advisers (see Figure 5.5).

**Figure 5.5: Broker role in preparing business against risks**



**Figure 5.6: Broker role in preparing business against risks, by broker use**



# Chapter

## Opportunities in risk management

This increases slightly for heavier broker users, who are a little more likely to see brokers as trusted risk advisers (30% compared to 24%). However, it still seems that most broker clients view their broker as an insurance purchase channel rather than a risk adviser (see Figure 5.6).

If brokers are to be seen as risk advisers, they need to be more strongly associated with risk

management beyond selling insurance. Promoting brokers as risk advisers could lead to greater regard for the expertise that brokers bring and elevate them beyond perceptions of purely a sales channel.

Unsurprisingly, medium-sized businesses (those with between 20 and 199 employees) see a greater role for brokers as risk advisers. In fact, 53% say that

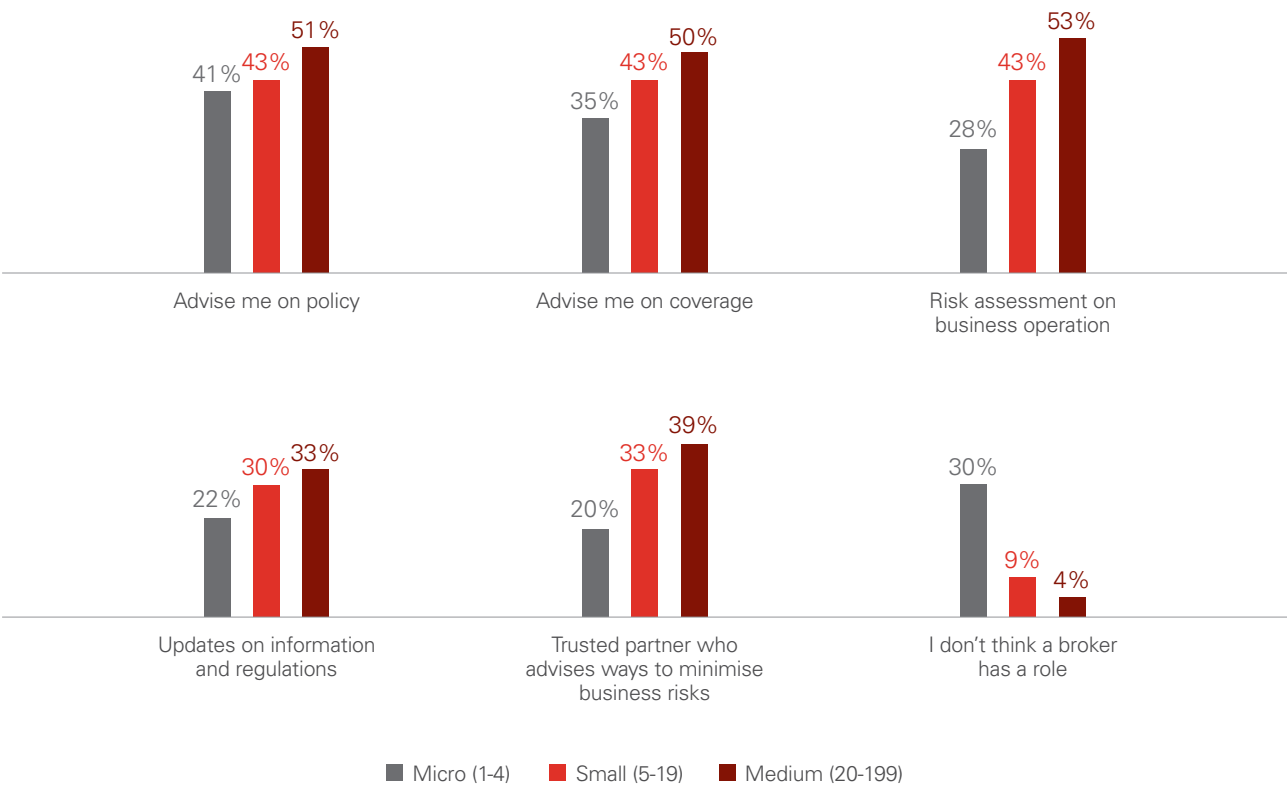
the role of a broker is to provide risk assessment and 39% view their broker as a trusted risk adviser (see Figure 5.7).

Unsurprisingly, there is additional scope for brokerages to provide more involved advice and analysis for larger businesses with greater gross written premiums.

### BROKER TIP

To make it more efficient to provide risk analysis for smaller clients, scale your risk review process to develop tailored risk analysis tools. For example, the provision of simple checklists and reminders (covering things like checking smoke alarms, updating information or servicing safety equipment) may provide time-efficient methods for brokers to have risk conversations without needing comprehensive face-to-face risk reviews.

Figure 5.7: Broker role in preparing business against risks, by business size

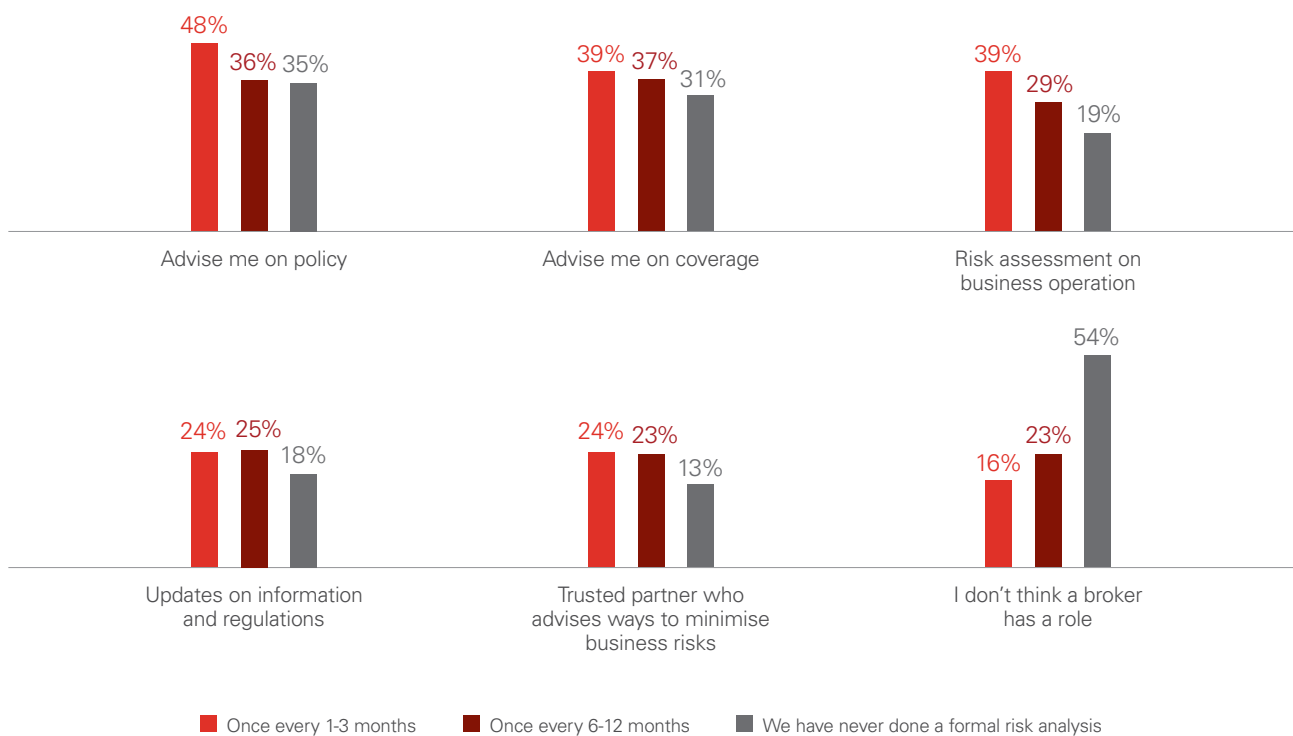


Those businesses who conduct risk analysis more frequently are more likely to see a broader role for their broker in risk analysis. In fact, 39% of those who undertake risk reviews at least quarterly say that the role of their broker is to provide risk assessment to set up business operations (see Figure 5.8).

This suggests that regular risk analysis could be used as a means to reposition brokers as risk advisers.



**Figure 5.8:** Broker role in preparing business against risks, by frequency of risk analysis



## CONSIDERATIONS FOR BROKERS

- Brokers need to be seen as more proactively involved in risk analysis activities and to consider helping their clients conduct regular risk reviews.
- If brokers are to improve their perceptions as being risk advisers, rather than insurance sales channels, they need to highlight and communicate the role they can play in advising beyond just insurance policies.



# Research methodology

In our rapidly evolving industry, it is particularly important to be adaptive and dynamic, continually catering to clients' ever-changing needs.

This is why we believe in supporting ongoing research and development – and why we have invested in the Vero SME Insurance Index over the last eight years.

We hope it continues to be a valuable tool for brokers and brokerages of all experience levels, assisting you with your business by providing insights and trends on your clients and their insurance needs.

This report is based on research involving over 1500 business owners and decision-makers from around Australia. The research was independently\* conducted in two stages:

## Stage One: Quantitative Survey

A nationwide online survey of 1500 business owners and insurance decision-makers was conducted, covering a range of business types, locations and sizes. The survey was conducted from the end of September to early October 2018 and the data was weighted by state and organisational size to current Australian Bureau of Statistics (ABS) data.

### The survey covered:

- general business sentiment
- attitudes towards insurance
- insurance purchase process
- purchase channel (broker or direct)
- attitudes towards insurance brokers
- risk assessment and preparation
- claims experience
- trust in insurance industry
- demographics.

Respondents were screened to ensure that they were responsible for making insurance decisions for their businesses. Quotas around state and business size ensured that representative samples were obtained.

### Businesses were divided into three groups, following ABS standards:

**Micro:** Businesses which employ 1-4 individuals

**Small:** Businesses which employ 5-19 individuals

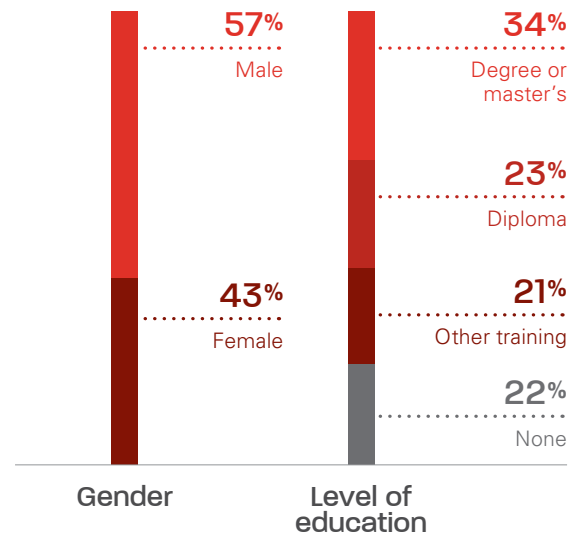
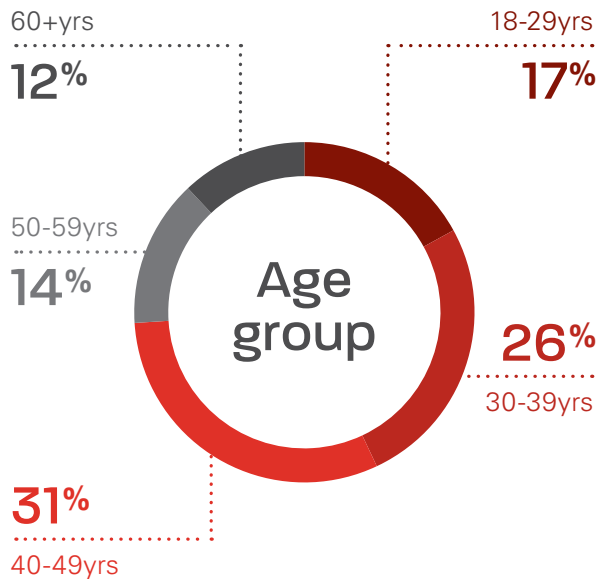
**Medium:** Businesses which employ 20-199 individuals

## Stage Two: In-Depth Qualitative Interviews

A series of interviews was conducted with eight SME respondents representing a mix of business sizes, types, attitudes to insurance, insurance purchasing channels and demographics. These sessions were held at respondents' workplaces during February 2019.

\*This research was conducted by BrandMatters.  
See [www.brandmatters.com.au](http://www.brandmatters.com.au)

## Demographics of Respondents



## Sample sizes and weighting approach

NUMBER OF EMPLOYEES	SAMPLE SIZE	ABS POPULATION PROPORTION
1-4	1230	82%
5-19	210	14%
20-199	60	4%
<b>Total</b>	<b>1500</b>	<b>100%</b>

STATE / TERRITORY	SAMPLE SIZE	ABS POPULATION PROPORTION
NSW / ACT	450	33%
VIC / TAS	450	29%
QLD / NT	330	20%
WA	150	10%
SA	120	8%
<b>Total</b>	<b>1500</b>	<b>100%</b>

The quantitative phase of the report was based on 1500 online surveys conducted with SMEs around Australia.

These were subsequently weighted to ABS statistics to ensure an accurate representation of the attitudes and behaviours of all Australian businesses.



Committed to your success

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