

Claims - Fact Sheet

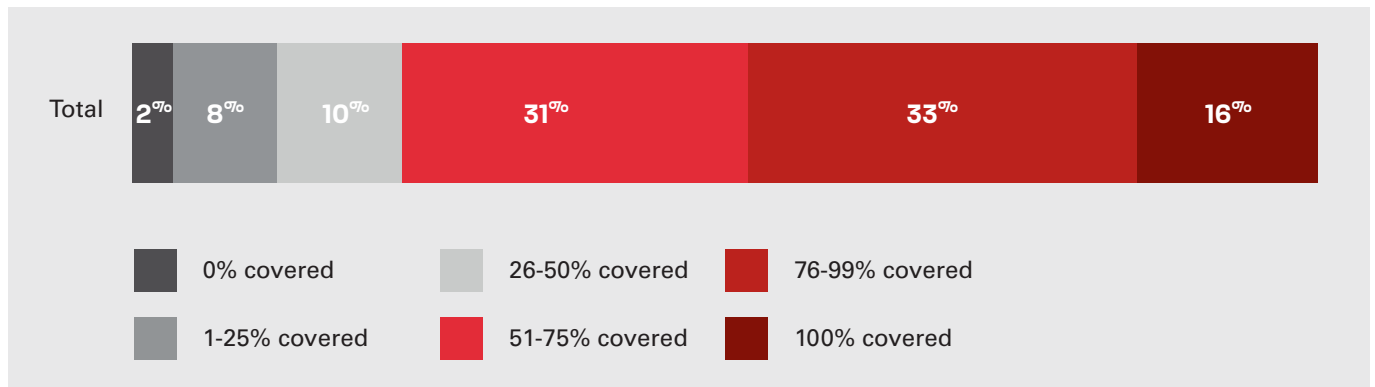


Claims are the ultimate moment of truth for any insurance policy. Therefore, the experience of making a claim can often dictate overall perceptions of insurance relationships, including those SMEs have with a broker. Many brokers believe that the ability to manage claims is one of the main benefits they offer their clients and, in previous years, the Vero SME Insurance Index has discovered that broker clients

tend to be more satisfied with their claims experiences than those who buy direct.

This year, we further explored the claims experience by asking SMEs, who had made a claim, what percentage of total losses did their claim cover. Overall, only 16% say that they were covered for the full amount, and around one in five were covered for less than half of the loss (see figure 1).

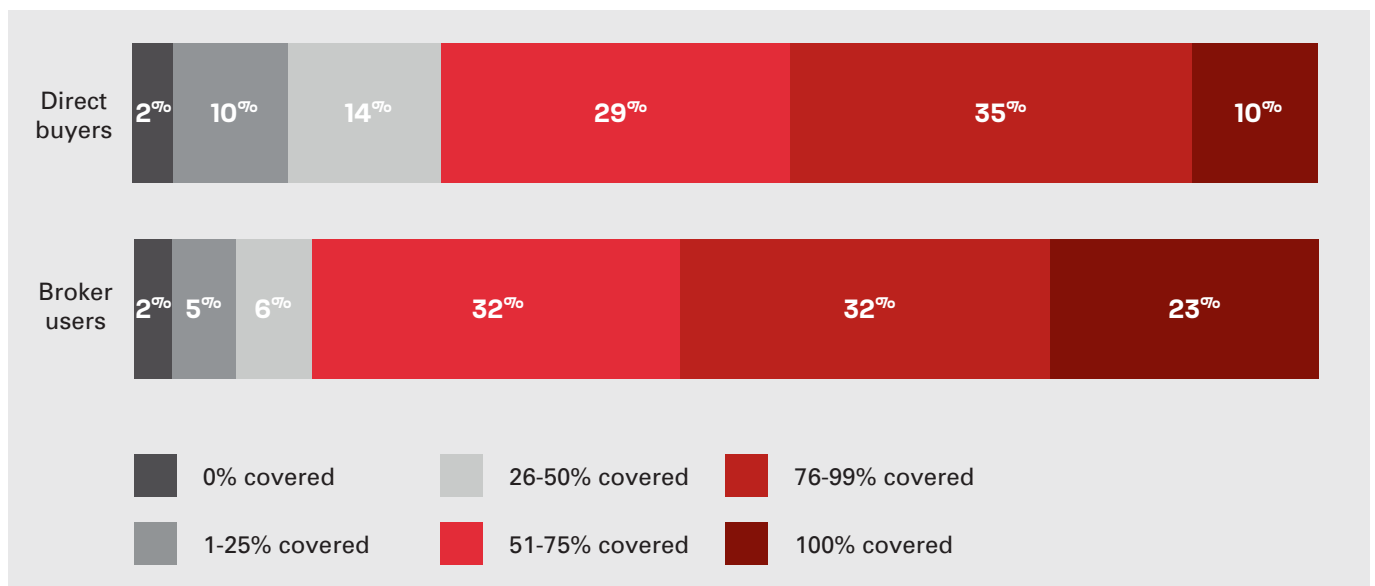
Figure 1 - Percentage of claims coverage



However, there is a significant difference between the amount of loss covered for broker users compared to direct buyers. When SMEs were asked approximately what percentage of the total losses did the claim cover, almost a quarter of broker users were covered for 100% of their claim,

compared to only 10% of direct buyers. At the same time, only 13% of broker users were covered for less than half of their loss, compared to over a quarter of direct buyers (see figure 2).

Figure 2 - Percentage of claim coverage by purchase channel

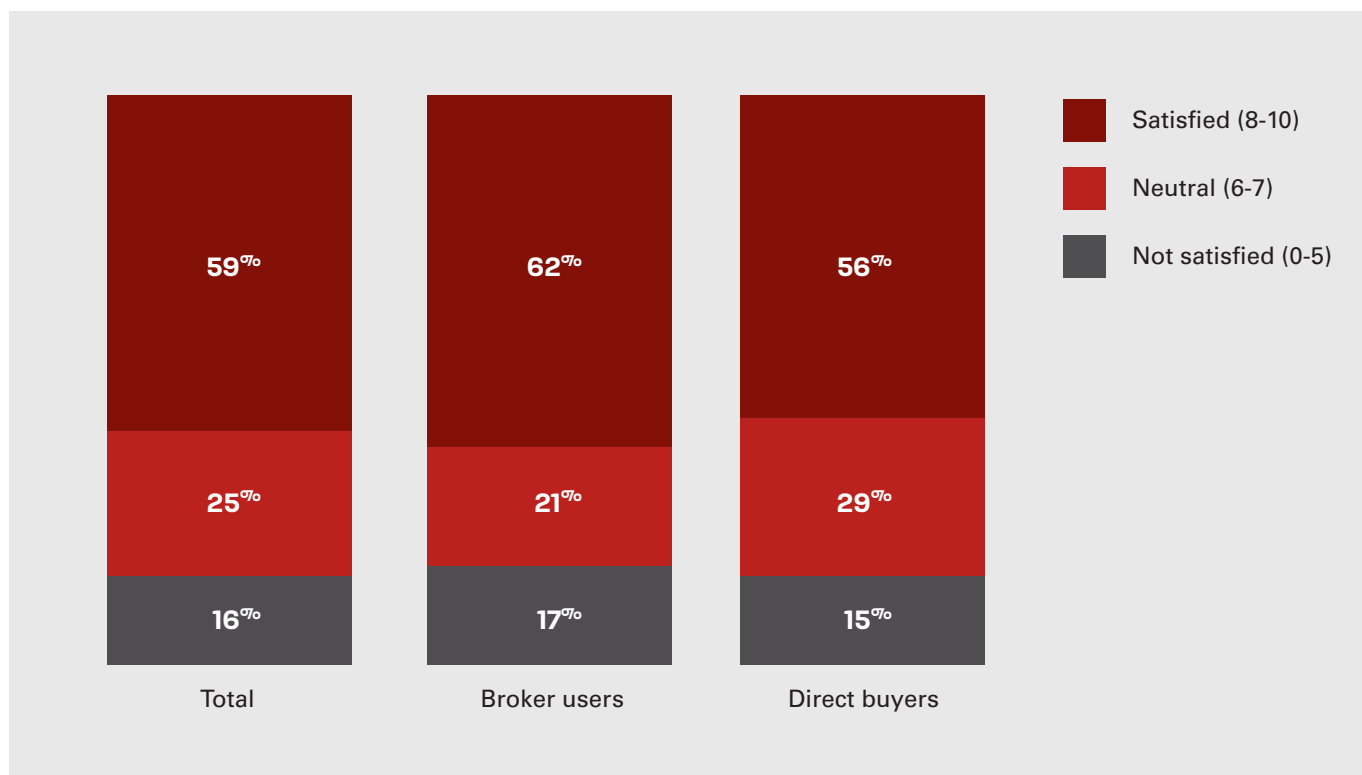


This is clear evidence of the benefit that brokers can bring to their clients, suggesting that when SMEs receive expert guidance on their insurance, they are far more likely to be adequately covered.

Being appropriately covered is no doubt one element of the claims experience that drives overall satisfaction.

Once again, this year we asked SMEs who had made a claim how satisfied they were with their claims experience. Satisfaction levels remain relatively high overall but broker clients are likely to be even more satisfied than direct buyers, with 62% claiming to be very satisfied compared to 56% of direct buyers (see figure 3).

Figure 3 - Claims satisfaction



Claims not only provide evidence of the value that brokers deliver, but also are a chance for brokers to demonstrate true expertise to their clients at a time when their insurance is being closely scrutinised. Brokers have deep and relevant understanding of a wide range of claims scenarios and sharing this information can be of immense value to clients.

To assist with this, Vero have developed a **Risk Register Tool** that will enable brokers to explain the most common risks by industry and thereby provide highly relevant and valuable information to SMEs to provide guidance on their specific business insurance needs.

What does this mean for brokers?

- Insurance is a grudge purchase for many, and the claims experience is a "moment of truth", meaning that better claims outcomes is a **positive story for brokers** to tell.
- Brokers can **talk to clients** about the fact that they are experts in insurance and that effective management of claims is a key part of their offer.
- Share the Vero **Risk Register Tool** with your clients to uncover the top causes of insurable event related losses for specific industries and occupations.