

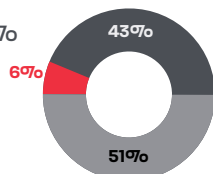
Vero SME Insurance Index 2022 Insights

SMEs understanding of and appetite for risk

The majority of SMEs (57%) indicate their business is not fully covered for all insurable risks.

Total SMEs

- Completely covered - 43%
- Mostly covered - 51%
- Partially covered - 6%



52% of broker clients see themselves as completely covered by insurance when it comes to their business' financial risks compared to only 39% of direct buyers.

While some SMEs consciously accept the risk of underinsurance and have a plan, 35% are not sure what they would do in the case of a negative event.

Plans if their business experienced a negative event:



43% report being completely covered by insurance



27% report they self insure / would refinance



20% report they would suspend the business, shut down or sell



35% report having no plan

* Results do not sum to 100% as multiple responses could be selected

SMEs are more likely to think it is important to have business insurance cover for a range of liability and property damage.

Top 5 risks SMEs want business insurance cover for:



43% Being sued



42% Workplace accidents



38% Fire or flooding on premises



34% Theft



33% Natural disasters



Brokers have an opportunity to communicate how they help clients in these areas of risk. Providing case studies about these areas may be helpful in educating their SMEs and demonstrating the value coverage can provide.

4 main areas were identified in terms of gaps between SME business concerns and the specific covers they hold.



47% of SMEs who are concerned about loss or damage to goods in transit do not have Goods in Transit or Marine cover.



41% of SMEs who are concerned about being unable to trade do not have Business Interruption cover.



37% of SMEs who are concerned about cyber attack do not have Cyber cover.



32% of SMEs who are concerned about equipment failure/breakdown do not have Machinery / equipment breakdown cover.



Brokers can talk to their clients about concerns in these areas to uncover relevant business needs that might not currently be covered in their insurance policies.

Find out more at www.vero.com.au/broker



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Disclaimer: The information displayed is based on commissioned research involving 1500 SME business owners and decision-makers from around Australia. The research was conducted in October 2021. AAI Limited ABN 48 005 297 807 trading as Vero Insurance (Vero) has prepared this material for general information purposes only and it should not be used as the basis for decisions in relation to the acquisition or disposal of insurance products or the use of broker services. Vero and its related bodies corporate do not assume or accept any liability whatsoever arising out of or relation to the information. Read the Product Disclosure Statement before buying this insurance. Go to vero.com.au for a copy. Target Market Determination also available. Source: Vero SME Insurance Index 2022.