

# Q&A's from SME Insurance Index 2019 Webinar

Thank you to all our broker partners who provided us with questions during our SME Insurance Index 2019 webinar which was held April 3 2019. We appreciate the time you took to submit them and whilst the majority were answered during the live webinar session, there were some we didn't quite get to. So for your convenience we have summarised all of them below and the subsequent answers to them.

**1. What can brokerages do to encourage clients to buy simple covers through them?**

Many SMEs do not know if their brokers provide simple covers, so the most important thing is for brokers to make clients aware if they are willing to sell these covers.

Regularly check-in and review your client's business changes and provide them with contingency planning checklists. Demonstrate the expertise, value and knowledge you can provide to them on some of the simple types of policies which will help build the reputation that you have with them as a trusted risk advisor.

**2. What would make SMEs more likely to trust brokers advice about risk?**

The data suggests that SMEs are more likely to trust brokers if their broker provides more in-depth analysis and pro-active advice.

**3. How can brokerages do risk assessments for smaller clients when it is not feasible to make face to face visits and spend long periods of time reviewing their risk?**

Brokers could consider using simple checklists, for example asking about safety updates, checking on smoke alarms etc.

**4. How is the claims experience different if the broker is more involved?**

SMEs are far more likely to be satisfied if their broker manages their claim and their perception is that the claim process is less complicated.

**5. How can brokers demonstrate the experience they bring to the claims process?**

Most SMEs are really interested in hearing case studies and stories about other claims that the brokerage has managed.

**6. How can brokers demonstrate the transparency of their advice?**

Many SMEs would like to know more detail, for example to understand the rationale behind why brokers recommend certain covers over others.

**7. How can brokers instill a sense of trust when our clients don't want to engage with us?**

Each client is different and may require a different approach. Trust is something that is built up over time. Simple/brief, timely and tailored information on a regular basis could help build confidence over time. Trust is associated with delivering to what is agreed. Even if your client doesn't want to engage with you, you can hold an ethical position that includes an interest in keeping promises and caring for your clients.

**8. How can brokers communicate the risk of being under-insured?**

As above, SMEs are really interested in stories and case studies about what has happened to other businesses, especially in their industry.

**9. How can brokers communicate the complexities of insurance?**

Hearing stories about what can go wrong when businesses do not understand the details of their insurance can really help SMEs understand how complex insurance can be.

**10. What can brokers do to feel more up to date?**

Attend regular training sessions, industry updates. Sites like the Suncorp Learning Campus, NIBA, industry trade publications are all good examples of being aware of what's happening in the brokering and insurance sector.

**11. Is the age of SMEs having an influence on their buying behaviours (channel of purchase)?**

Yes - younger SMEs under 40 years are more likely to use a mix of channels to buy their insurance.

**12. Comfort with Business Insurance Tasks - Is there data for the age gap on these percentages? Interested to know if under 40 age gap think they know their insurance needs?**

In general, SMEs under 40 are slightly more likely to think that insurance tasks are easy, but the difference is small.

**13. Should we look at changing our Title from Insurance Brokers to something else e.g. Risk Management Consultants etc.**

Many brokers include risk in their titles somewhere e.g. risk and insurance brokers, demonstrating that risk management and insurance are closely linked.

**14. As an industry we don't present the good we do. Why do clients think we don't do a good job?**

Each year the industry do get together to award those who have done an outstanding job whether it be through broker surveys or general insurance awards for the industry and these are promoted through various channels such as trade press and social media. In respect of risk management, the RM Advancer awards held very year by Vero aim to recognise and reward good risk management very publicly and this is important. Why not nominate a well risk managed customer for an RM Advancer award?

**15. The businesses you have profiled (florist, butcher, baker, etc) are all low-level income clients (ie. broker income would be less than \$500) so how does a broker provide the full range of services (eg. risk profiling, policy comparisons, etc) when there is insufficient \$\$\$'s being earned from this type of client?**

A number of things to note: all businesses profiled have at least five employees so aren't micro businesses. But can brokers think about quick ways to deliver services - for example, using template emails to check up on changes to business? Regular newsletters to all clients in an industry with new and information? Using summary tools from Policy Comparison to show rationale for policy recommendations?

**16. Does the survey info re trust relate to the general insurance market or does it include life & super?**

We asked respondents to focus only on insurance that they purchased for their business for this survey.

**17. What can brokers do to increase SMEs trust in our services?**

Our data suggests that brokers who undertake more value-added analysis and provide in-depth information are far more likely to be trusted by their clients.

**18. I know many clients who are happy with their brokers, how are these SME's selected?**

These SMEs are a randomly selected representative sample of SMEs, and our data is weighted to ABS data to ensure that the results are reflective of the broader base of the population. The data certainly shows that many SMEs are happy with their brokers (around 66% score their broker 8-10/10 in terms of satisfaction) however, the data also points out many opportunities for brokers to improve.

**19. From a research perspective, have you ever looked at the simple language term "Broker". The term "Broker" often people think it's about Price. Changing the terminology to Adviser, would this change their perception?**

This year we did ask some questions about to what extent brokers have a role as adviser, and the data suggests that brokers are still strongly associated with selling insurance rather than advice.

**20. What can a Broker do when it is the insurer who is not responding in our time frame? What can we tell the client.**

Request the Insurer provide a formal reasoning for the delay in responding (assuming the Underwriter has been provided a reasonable amount of time to respond). This will ensure that the client is aware that the delay is anything that you have control over but you also have an active interest in getting a response back to the client in a timely manner.

**21. Do you have standard claims procedures and requirements for each class of insurance that we as brokers can access in the event of a claim**

Yes and no. Each line of business is treated differently and each claim is assessed on its own merits, therefore our requirements will vary. The standard process is to provide as much information to us as early as possible to allow us to advise of the next the steps. Our claim forms can really assist in terms of critical information required to lodge a claim, but they aren't essential.

**22. Do you think SME's and broker's have the same definition of Risk analysis?**

A customer often looks at risk enterprise-wide and there maybe opportunities to provide risk management advice outside of the traditional insured lines to add value to a customer's organisation. The process of risk analysis is fairly generic e.g. identifying, prioritising and managing/reducing risk. It maybe worth having a conversation with your customer up front to agree on a definition of risk analysis and system to implement and manage this. The Australian Risk Management standard: AS/NZS: ISO 31000 may help with this and is a good reference.

For further information on the SME Insurance Index Report 2019 download a copy of the report today at [vero.com.au/broker](http://vero.com.au/broker) or contact your local Vero representative.