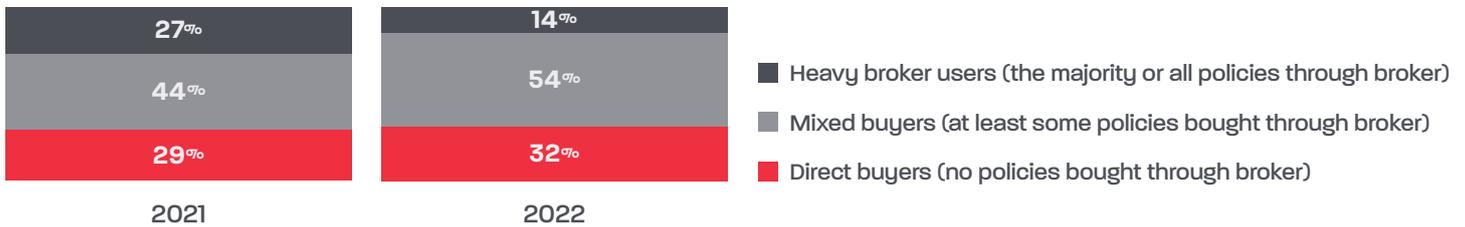


# Vero SME Insurance Index 2022 Insights

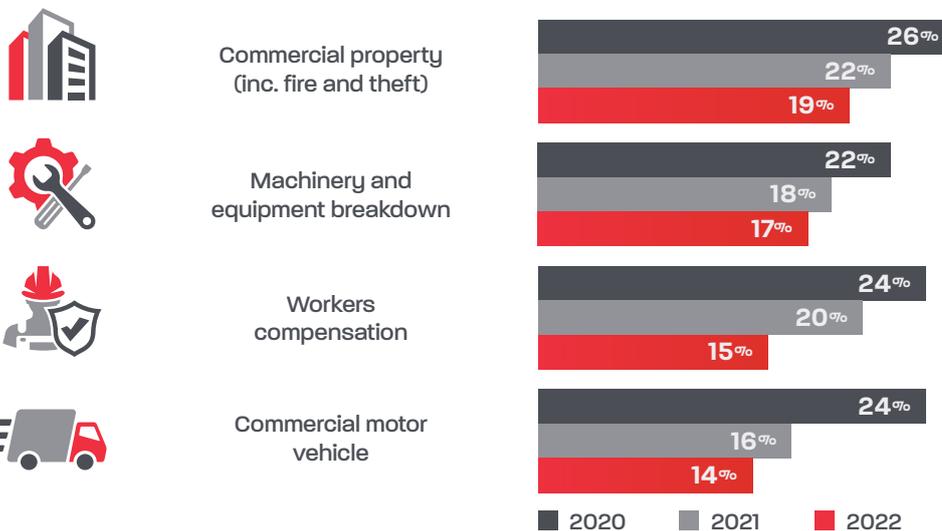
## Changes in broker usage and attitudes to direct purchase

SMEs are diversifying their insurance buying behaviour, with the majority purchasing through a mix of direct and through a broker.



Many SMEs are choosing to buy the more straightforward covers direct as opposed to through a broker.

## Policies less likely to be purchased through a broker



Brokers need to ensure mixed users understand the complexity of insurance and the importance of broker expertise. This will help reduce the risk of SMEs buying more of their insurance direct.

Ease is the main factor in SMEs moving to direct, not broker dissatisfaction.

**93%** of SMEs who have moved part of their insurance direct, say that they remain highly satisfied with their broker.

## Reasons not to use a broker for their last/most important policy



Conversations about value, cost-effective insurance and how brokers make the process easier may help convince mixed users to purchase more policies through a broker.

Find out more at [www.vero.com.au/broker](http://www.vero.com.au/broker)



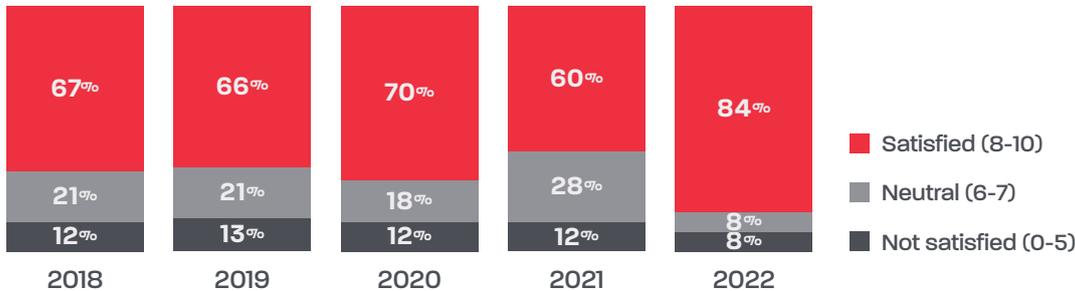
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# Vero SME Insurance Index 2022 Insights

## Delivering to client needs

This year broker satisfaction has increased to the highest levels seen.

### Broker satisfaction over time



Customer satisfaction has increased across a range of industries this year, which may suggest that many brokers are doing an excellent job looking after their clients during challenging times.

Brokers provide important services throughout the insurance lifecycle, but there are some gaps and opportunities in broker service delivery.



Find cost effective ways to insure business



Recommendations on mitigating risk



Information on emerging risks



Advocates on their behalf to insurance companies

SMEs rate as important

74%

74%

74%

82%

SMEs report broker provides

60%

60%

58%

64%

Gap in performance

14%

14%

16%

18%



The more brokers can deliver on these tasks throughout the different stages of the client relationship, the more likely SMEs will value their broker.

Business growth and increased business complexity are the biggest reasons for SMEs to start using a broker.

### Prompts to start using a broker

53%

Business growth / complexity

35%

External recommendation

34%

Claims event experienced or heard about



Consider marketing and sales development activities that target growing businesses, as well as referral partnerships and claims seasonality to drive growth.

Find out more at [www.vero.com.au/broker](http://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 of the use of broker services. Vero and its related bodies corporate do not assume or accept any liability whatsoever arising out of or in relation to the information. Source: Vero SME Insurance Index 2022.

# Vero SME Insurance Index 2022 Insights

## Claims and SME actions

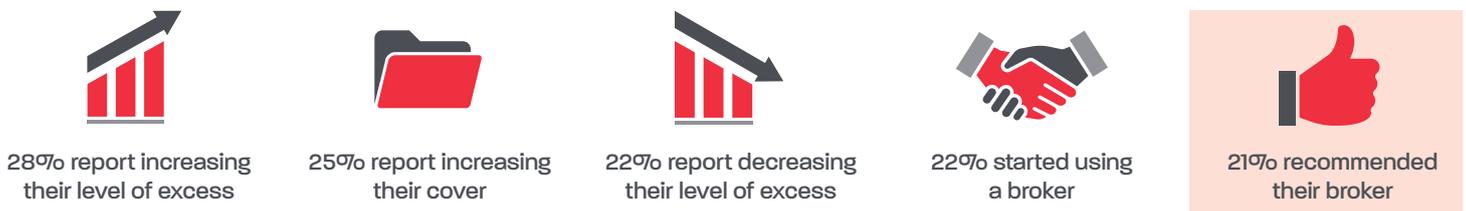
-  **63%** of broker clients are satisfied with their claims compared to only 42% of direct buyers being satisfied with their claim.
-  **68%** of broker clients want to deal with a broker when they have a claim, and this becomes more common the larger an SME gets.

Claims are a reason for most SMEs to make changes to their insurance.

**88%** of SMEs report that they made changes to their insurance following their claim.



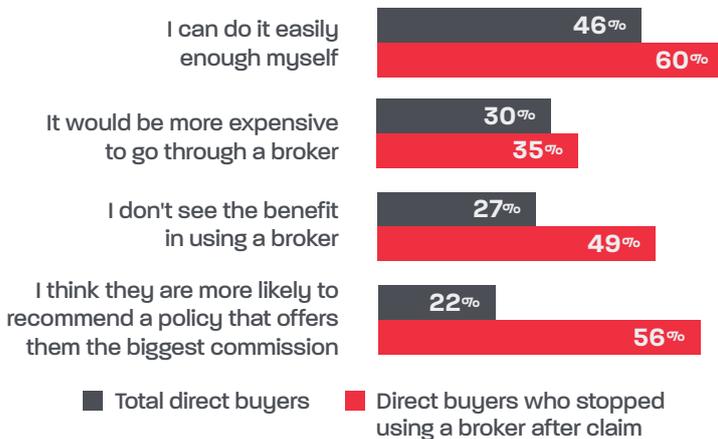
### The top 5 changes SMEs report making after a claim



Whilst most SMEs have a positive claims experience with their broker, 16% stopped using their broker following a claim.

Those who would recommend their broker are more likely to be satisfied with their claim for a range of reasons.

### SME reasons not to use a broker



### Reasons for claims satisfaction



79% report claim was quick to process



79% report there was effective communication throughout the process



75% received the full amount of the claim



Leaving a broker following a claim is associated with lower levels of understanding of the value that a broker delivers to their client.

Providing clients with clarity during claims may help to ensure that they do not leave for another broker or to direct purchase.



Word of mouth is highly influential to SMEs looking for a broker.

Encourage referrals from your SME clients by making the claims process as easy as possible, with clear and regular communication.

Find out more at [www.vero.com.au/broker](http://www.vero.com.au/broker)



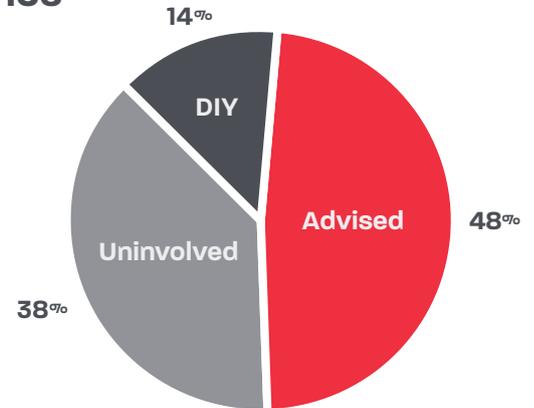
# Vero SME Insurance Index 2022 Insights

## Uncovering opportunities at renewal

Over half of SME broker clients report renewing their last insurance without expert advice.

### Last renewal experience

- My broker and I reviewed my business needs and renewed / adjusted my policies accordingly / made no changes + My broker recommended changes to my policies proactively
- I renewed my existing policies as is, without review or amends from my broker
- I made changes based on my own research and analysis of needs, without consultation with my broker



Brokers need to ensure they take the time at renewal to check on business changes, undertake risk assessments and proactively recommend improvements to demonstrate expertise and added value.

### Those less likely to receive advice at renewal time:



SMEs under 50 years, are more likely to report not being advised last renewal (61% under 50 years vs 52% of total SMEs)



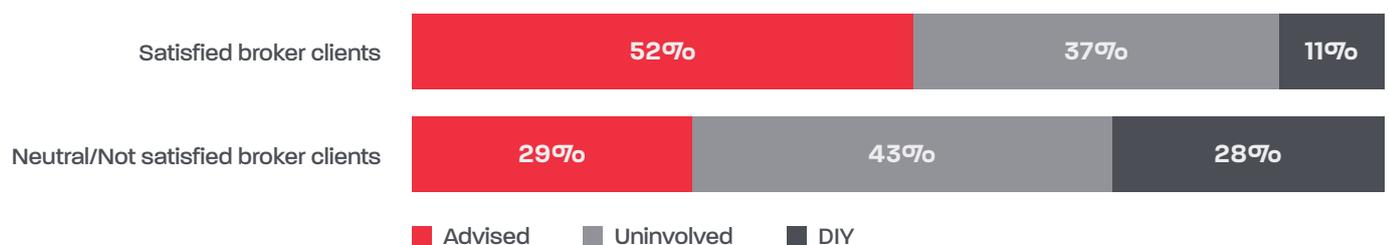
Medium SME are more likely to report not being advised last renewal (57% medium SMEs vs 52% of total SMEs)



Contacting these clients at renewal time, ensures that they gain the benefit of expert review and advice and therefore better understand the value of holistic relationships with their broker.

Clients who received advice from their broker during renewal time are more likely to be satisfied.

### Last renewal experience by satisfaction with broker



Brokers have a clear opportunity at renewal to ask about their clients business and demonstrate their insurance expertise in order to foster more satisfaction.

Find out more at [www.vero.com.au/broker](http://www.vero.com.au/broker)



# Vero SME Insurance Index 2022 Insights

## Understanding the insurance behaviours of large businesses (200+ employees)



**73%** use a mix of purchase channels, buying policies direct and through a broker, compared to 54% of SMEs.



**39%** report not being in touch with their broker in the last year, compared to only 28% of SMEs.

### Expertise is the main reason large businesses work with their broker



Large business



SME

The top reason for large business to work with their current broker is expertise. Expertise is made up of a number of elements, including advice, knowledge and access to specialist covers.



Given the complexity of large businesses, it is important for brokers to explain the benefits of the complete risk advice they provide.



**96%** are satisfied with their current broker, compared to 84% of SMEs.



**40%** say they would prefer a broker they can relate to, compared to 25% of SMEs.

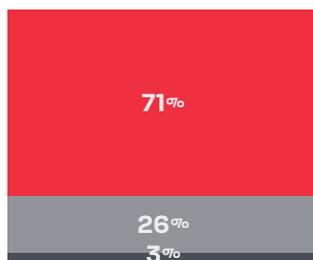


Consider how to make any interactions with larger business clients more personally relevant. Ask questions and build out your knowledge about their business and industry.

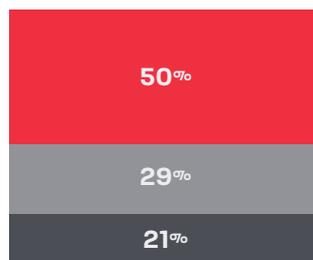
## During the claims process large businesses rely more heavily on their broker than SME clients.

The heightened level of broker involvement in a claim also means large businesses are more satisfied with the claims process than SMEs.

- Satisfied with claim
- Neutral
- Not satisfied with claim



Large business



SME

51% of large business who are satisfied report the involvement of their broker is the reason they are satisfied with their claim. It is also valuable proof of the value of insurance and confirmation of cover.

## Large businesses are less likely to have reviewed their insurance at their last renewal, despite the complexity of their business and risk.

### Last renewal experience

I actively consulted and reviewed my insurance with my broker

29%

I renewed my existing policies as is, without review or amends from my broker

49%

I made changes based on my own research without consultation from my broker

22%



There is an opportunity for brokers to increase their involvement level during renewal periods and demonstrate the expertise they bring to the process.

Find out more at [www.vero.com.au/broker](http://www.vero.com.au/broker)



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