

Sharing our SMExpertise

Key takeaways from our 2025 SME survey

SMEs make up 97% of NZ businesses, employing 1/3 of Kiwis and generating a 1/4 of our economic output.¹

Together, Vero and brokers are the SMExperts who insure them. This is a summary of insights taken from Vero's commissioned research conducted in November 2024.²

¹ Source: Business Demographic Statistics, Statistics NZ, 2024.

² Vero commissioned research, 2024.

Firstly, why should SMEs rely on Vero?

- Backed by Suncorp**
A leading intermediated general insurer, proudly backed by the financial strength of Suncorp Group.
- Passionate about claims**
In the five years to 30 June 2024, we paid out over 97% of claims³.
- Rated Very Strong**
AA- (Very Strong) rating by international ratings agency S&P Global Ratings.
- Certified simpler**
Multiple policies awarded the WriteMark quality mark for using plain, simple language.
- Proven partnerships**
Working with specialists like Morgan Project Services (MPS), we can help assess and project manage complex building claims from start to finish.
- Fair Insurance Code**
A member of the Insurance Council of NZ and adhere to the Fair Insurance Code providing assurance of high standards of service.

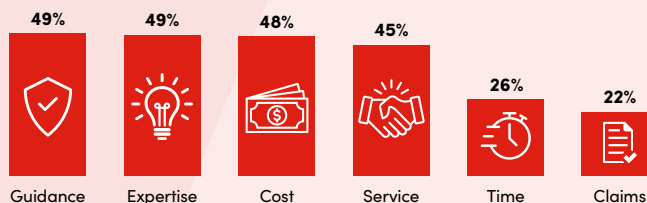
³ Vero claims internal data from 1 July 2019 – 30 June 2024. Includes Motor, House and Contents claims.

1. Growth opportunities for the intermediated channel²

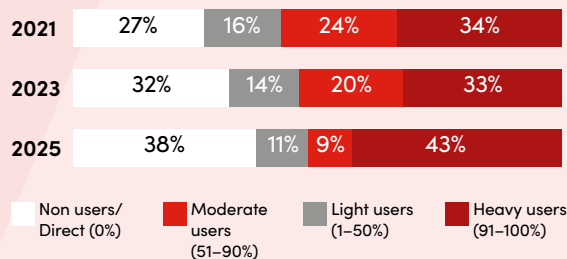
The businesses most likely to consider using a broker are those that have experienced events that might have increased their need for advice and support:

- Have made a recent claim
- Made a change to their business insurance
- Or are growing in complexity
- Are less than 10 years old
- Have multiple premises

Guidance, expertise & cost are the main factors that would convince businesses to use a broker / use a broker more.



BROKER USAGE



Channel usage has shifted in recent years with a trend away from mixed usage, and growth in both full direct usage and heavy broker usage.

Opportunity:

SMEs need a clearer sense of the value brokers offer. Lean into guidance & expertise.



2. How SMEs approach risk management²

Of the businesses surveyed, 52% never or rarely conduct risk analysis.

SMES ARE INTERESTED IN RISK MITIGATION SOLUTIONS

9% Extremely interested

48%

Somewhat interested

31%

Neutral

9% Not that interested

4% Not at all interested

Even though they are less likely to conduct risk analysis, 57% of businesses are interested in risk mitigation solutions.

Vero Risk Profiler provides industry-specific risk information and tips to help SME's manage typical risks.

Visit:

vero.co.nz/risk-profiler

We're seeing more businesses not consider changes to their business at time of renewal – though we know that 42% of SMEs have made changes to their business in the past year – such as upgraded equipment.

CONSIDERING ELEMENTS AT RENEWAL:

95%

have ≤5 employees

22%

have had limited broker contact

69%

don't have formal risk processes

71%

are unconcerned about underinsurance

% Did not consider any elements at renewal:

36%

2023

44%

2025

Opportunity:

Address complacency by proactively engaging & educating SMEs around risk management.



3. Underinsurance and potential implications²

The survey provided the following insights:

36% of businesses are not annually reviewing their sums insured.

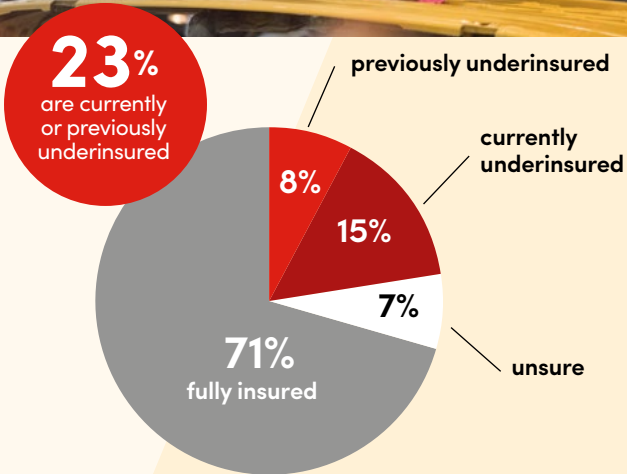
And the majority of businesses aren't concerned about underinsurance. But 2 in 5 businesses have had a recent claim that did not cover the total losses.



Underinsurance is a cost-saving strategy for nearly a quarter of New Zealand businesses.



In the current economic environment, underinsurance is a key strategy used to help mitigate business insurance costs. The opportunity is for insurers and brokers to help educate SMEs on the risks of underinsurance.



Opportunity:

Educate SMEs about the risks of underinsurance and better help them make decisions about reducing their insurance costs.



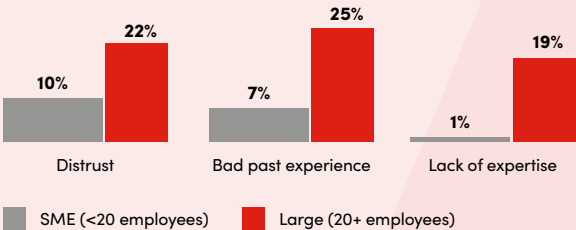
4. SME vs Mid-market – how do they differ²

Almost 3 in 4 larger businesses (20+ employees) are considering using a broker in the future.

This compares to less than half of SME's (<20 employees).

Larger businesses are more likely to be put off brokers due to negative past experiences.

BARRIERS TO BROKERS



Reinforce guidance and expertise to appeal to larger businesses, and to educate SMEs:

SME (<20 employees)		Large (20+ employees)	
Cost	49%	Guidance	58%
Guidance	49%	Expertise	55%
Expertise	49%	Service	28%
Service	46%	Time	27%
Time	26%	Claims	24%
Claims	22%	Cost	18%

Opportunity:

Focus on improving customer experience and building trust to appeal to larger businesses.



vero

The SME experts insuring the engine of NZ's economy.

Disclaimer: The information displayed is based on commissioned research involving 550 owners and decision makers from around New Zealand. The research was conducted during November 2024. Vero Insurance NZ Ltd (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. Vero and its related companies do not assume or accept any liability whatsoever arising out of or relating to the information.