

The insurance broker's guide to New Zealand SMEs

Over 900 small to medium sized businesses (SMEs) across New Zealand voiced their opinions in the Vero SME Insurance Index 2018.

Here's a snapshot of the results.

What are the biggest challenges facing SMEs?



"Trying to do everything on my own"

"Having no time for myself / my family"

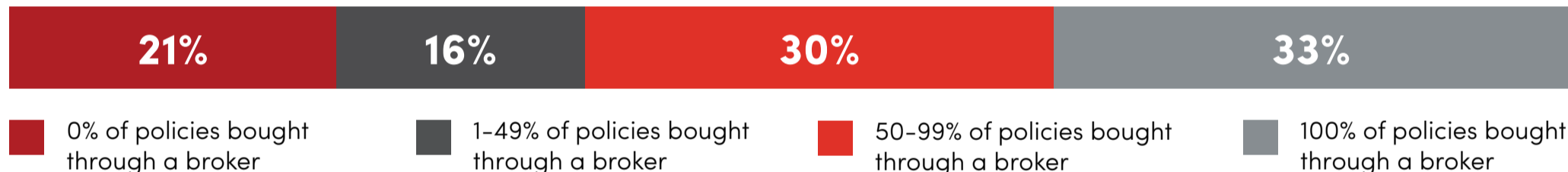
"Managing my time efficiently"

Time and being solely responsible are the most common challenges faced by SMEs.

By demonstrating expertise, brokers can assure their clients that their insurance needs are covered so that they don't have to spend time and energy researching options.

How do SMEs buy their insurance?

SME groups



Taking a look at SME buying behaviours, almost half of SMEs buy their policies through a mixture of brokers and direct, whilst **a third of SMEs buy all their insurance through a broker.**

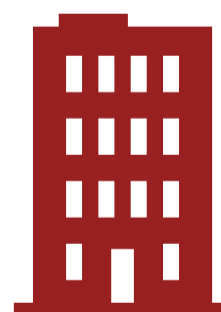
What type of businesses buy 100% through a broker?



33%
of SMEs with
1-5 employees



39%
of SMEs with
6-9 employees



42%
of SMEs with
10-19 employees

Larger SMEs are more likely to be buying all of their insurance policies through a broker.

This suggests that the expertise of a broker appeals to SMEs who may have more complex insurance needs.

Find out more and download the full report at vero.co.nz/sme-index

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Disclaimer: The information displayed is based on commissioned research involving over 900 business owners and decision makers from around New Zealand. The research was conducted during November 2017. Vero Insurance New Zealand 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.

When are SMEs thinking about their insurance?

Triggers to review insurance:



58%
Standard review



33%
Insurance events



18%
Business changes



16%
Set and forget

Understanding when and why SMEs review their insurance pinpoints when to talk to SMEs and the important topics to cover:

1. The majority of SMEs have a standard review in place.

It's important for brokers to be proactively contacting their clients for standard reviews.

2. There is a gap in SMEs reviewing their insurance in light of business changes.

Brokers should take the opportunity to talk to their clients about reviewing their insurance when they have an insurance event/claim, and when they have changes to their business.

Are New Zealand SMEs using brokers less?



One in five SMEs say they are using a broker less than they used to, with ease and convenience being the most dominant reason.

Brokers should consider how to make their offer as effortless as possible for SMEs.

Price perceptions and online preference also play a role.

Brokers should consider using online platforms to deliver ease and convenience that customers are looking for.

Reasons to use a broker less:



74%
Ease and convenience



36%
Price



32%
Online preference



27%
Under-serviced