

# Vero SME Insurance Index 2018

## Summary Report

### Introduction

The Vero SME Insurance Index is a comprehensive research study focussed on how small to medium sized enterprise business owners and decision makers (SMEs) think and behave when it comes to business insurance.

The survey is mainly focussed on those who have some form of business insurance, and delves into ways that brokers and advisers can understand and add value for SME customers. In 2018, the survey also included a few questions to gain insight into businesses who don't have insurance. This report summarises the main research findings.

### The numbers in a nutshell:

2504 SMEs began the survey. Of these:

Had insurance and completed the main survey

901

Didn't have insurance, and completed the small no-insurance subset of questions

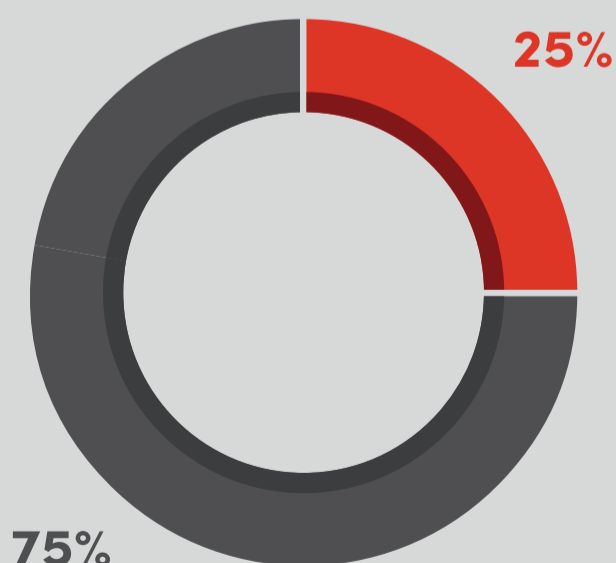
623

Were disqualified for other reasons (eg business size, role etc)

980

## SMEs with no business insurance

1 in 4 SMEs say that their businesses are uninsured



Do not have business insurance

Smaller businesses are more likely to be uninsured

63%

are sole owners with no employees

67%

earn under \$100K

In general, size is the main distinguishing characteristics of businesses with no insurance. Other factors such as location or industry do not appear to make a significant difference.

# SMEs with no business insurance

## Cost and a perceived lack of benefits are the main reasons for not having any insurance



## Plans for a major negative incident



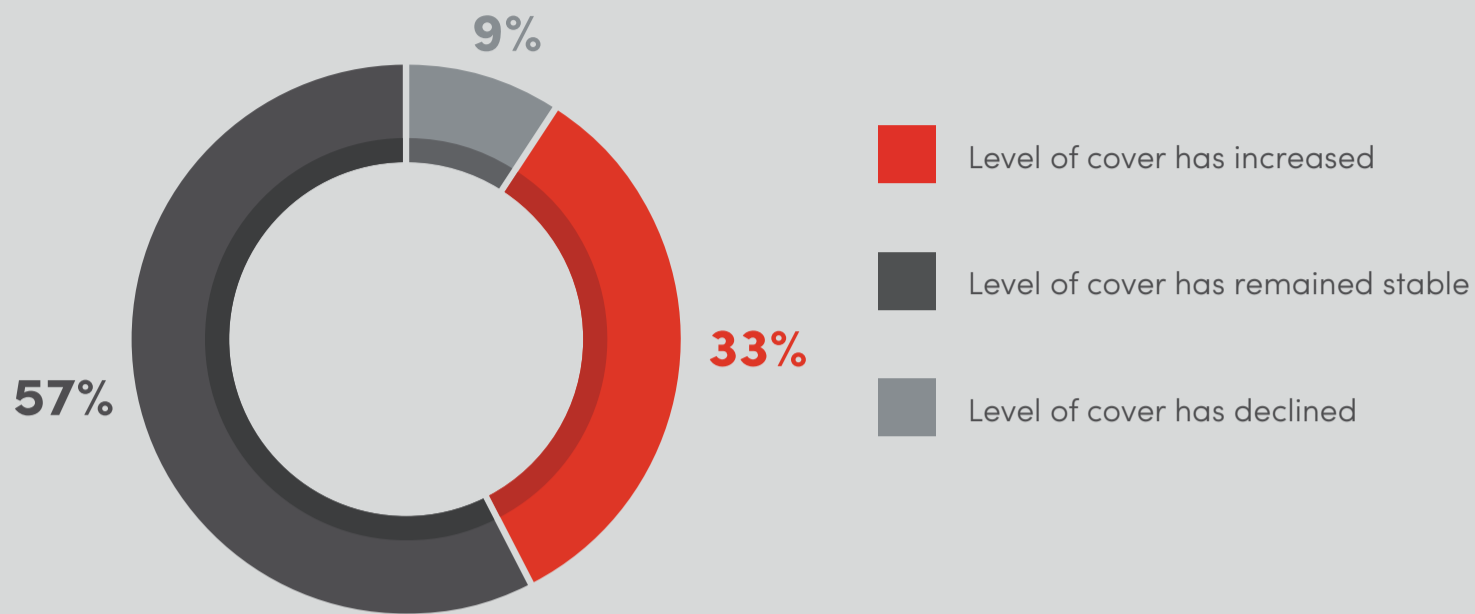
## These responses vary by the size of business

SMEs with over 5 employees are more likely to say they have enough capital to cover a loss or they just hadn't thought about it.

Micro businesses (those with less than 5 in the business) are more likely to say that they would have to close down or don't believe they would incur a loss so great.

# SMEs with business insurance – key findings from the Vero SME Insurance Index 2018

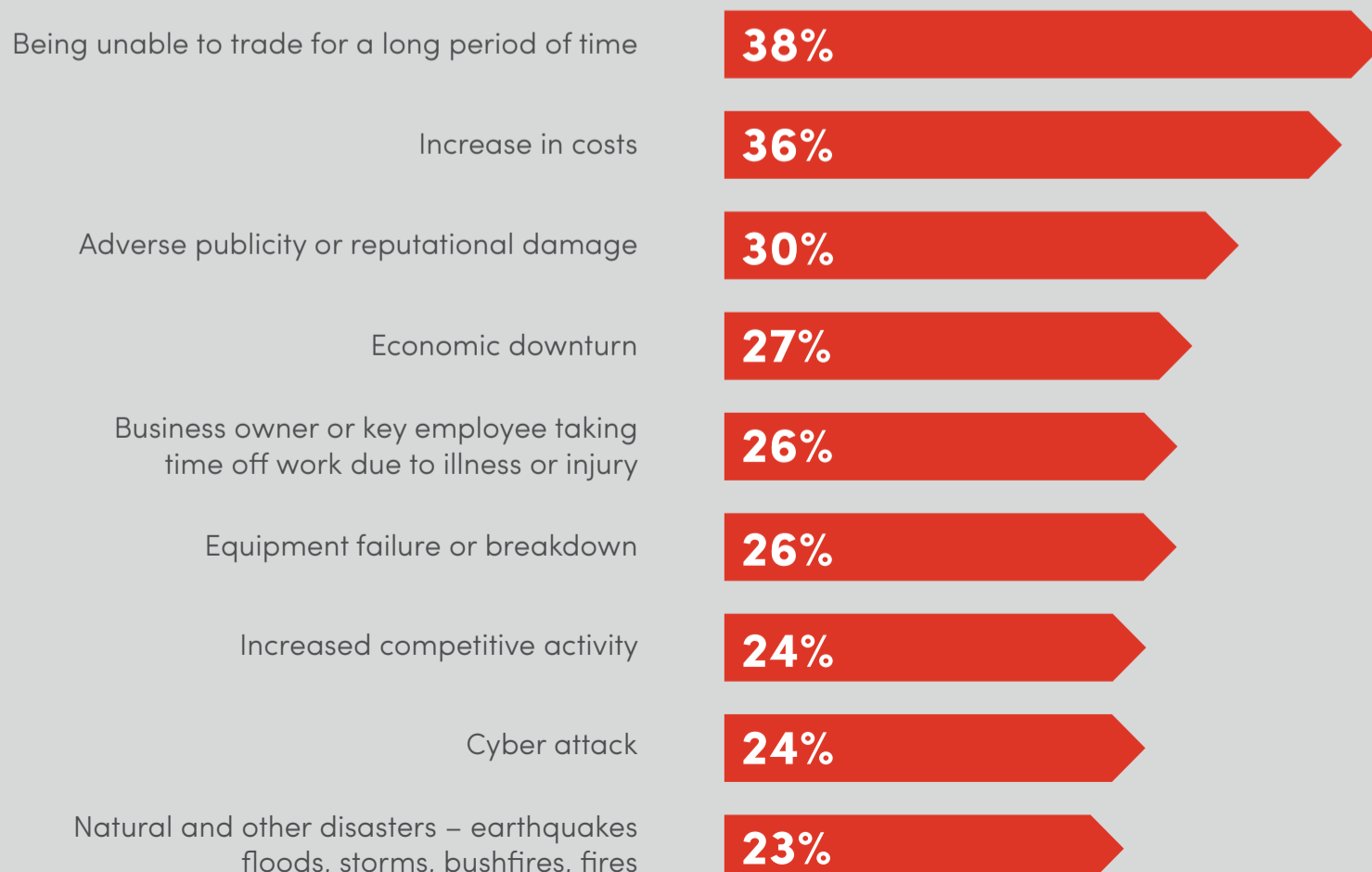
1 in 3 SMEs say that their level of cover has increased in the past few years



Many SMEs review their insurance arrangements regularly

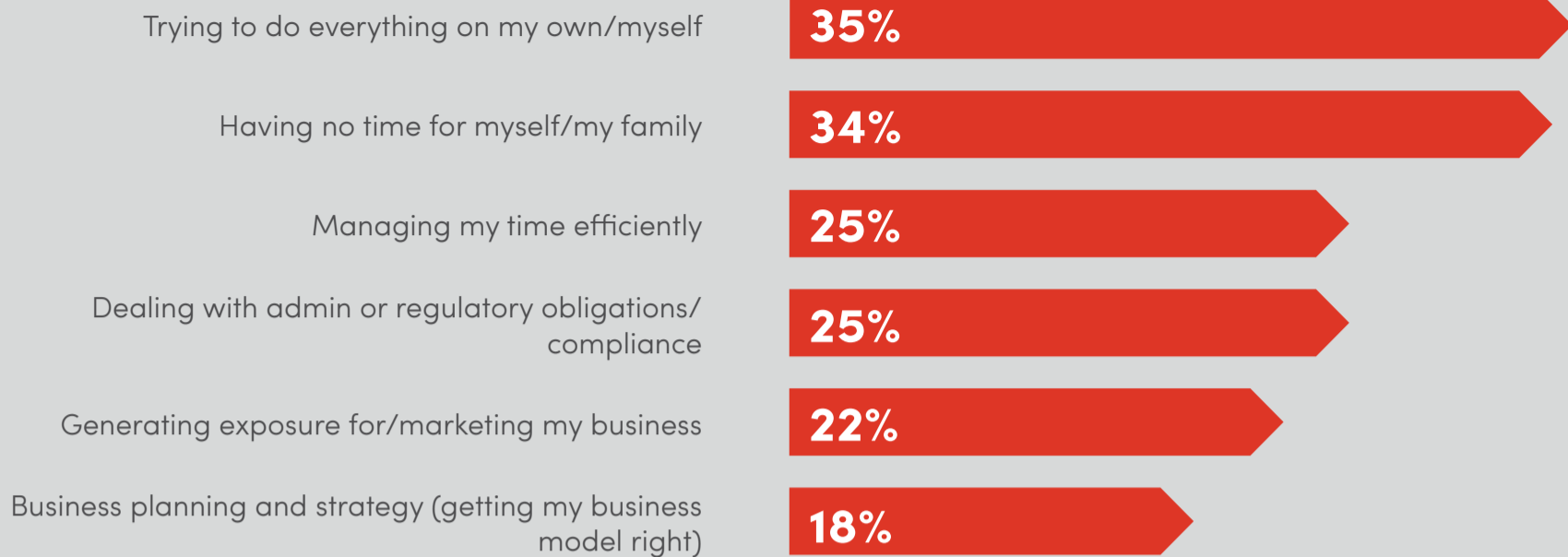
<b>STANDARD REVIEW</b> (e.g. once a year, when my broker recommends)	58%
<b>INSURANCE EVENTS</b> (eg insurance premium change, major claim made)	33%
<b>BUSINESS CHANGES</b> (eg large business purchase, change in staffing, IT upgrade)	18%
<b>SET AND FORGET</b>	16%

Being unable to trade is the #1 concern for SMEs

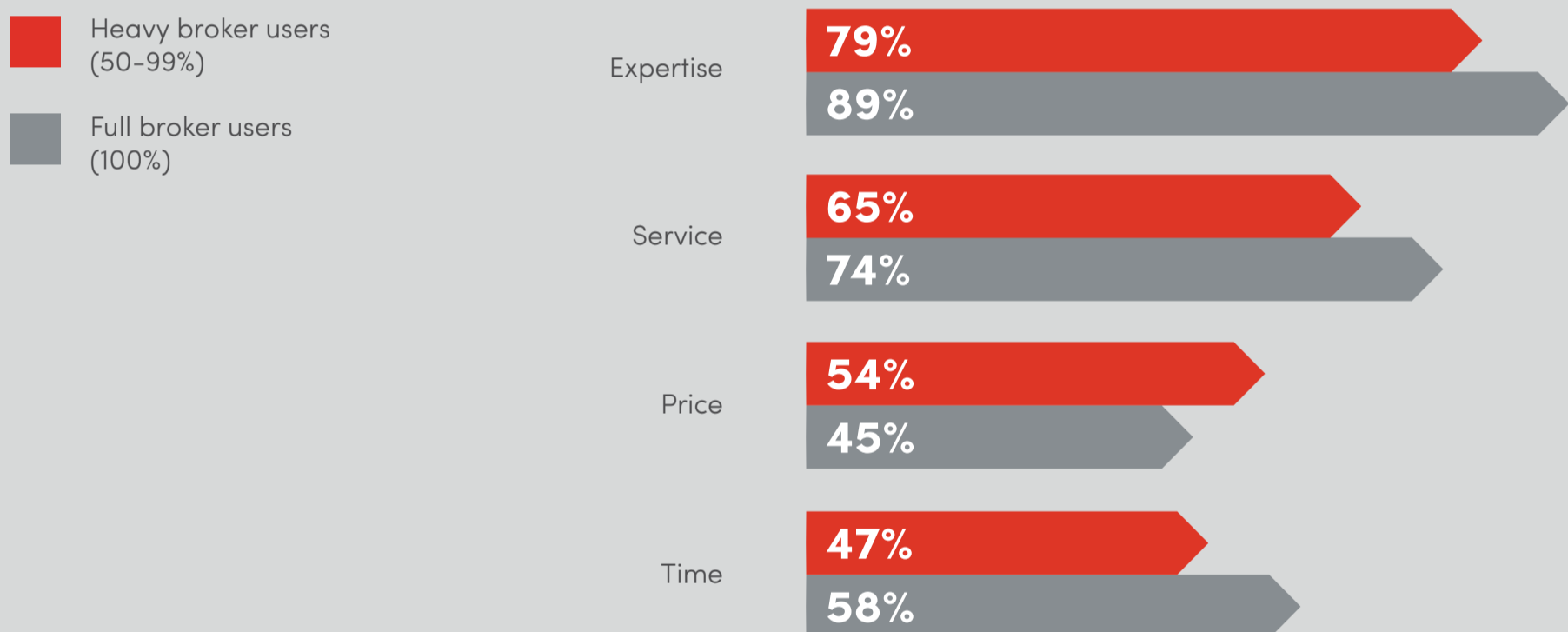


# SMEs with business insurance

## Time is a particular challenge for many SMEs



## Expertise and service are the top reasons to work with a broker



## Ease is the main reason to use a broker less

