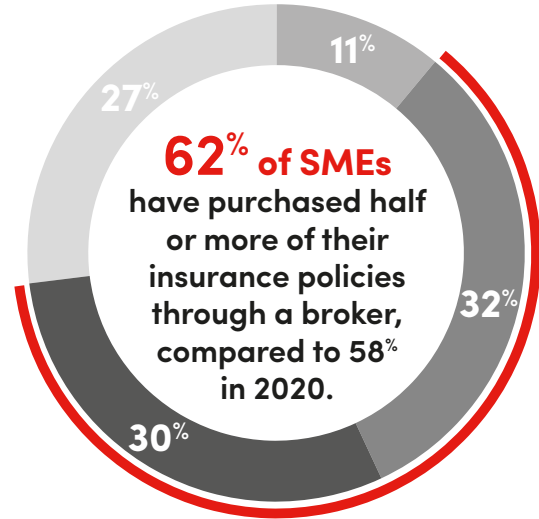
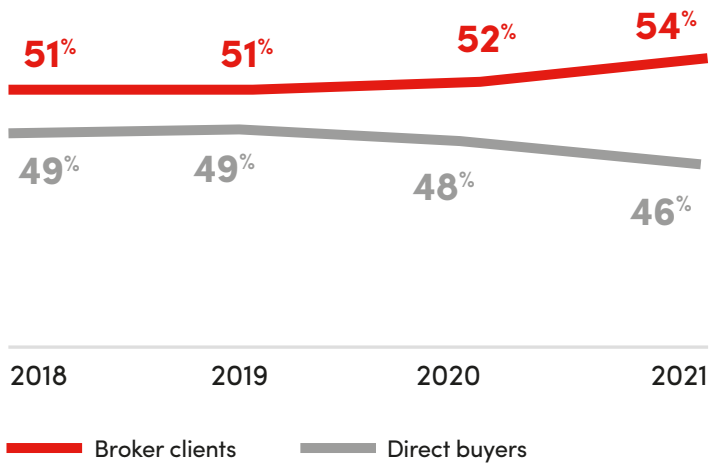


Growing opportunities in the SME market for brokers and advisers



There's good news in Vero's latest SME Insurance Index report – more SMEs are using brokers or are considering using one in the future. So now is the ideal time for brokers to grow their business by demonstrating the benefits they deliver to SMEs.

Broker usage has increased to 54% this year.



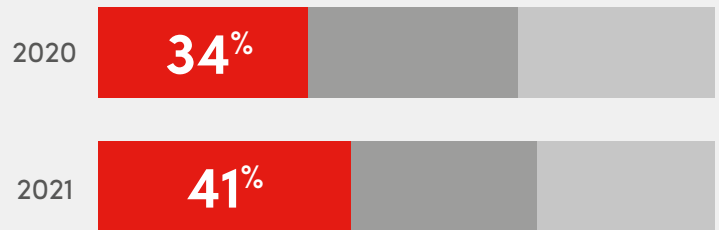
Percentage of policies purchased through broker

- 0%
- 1-49%
- 50-99%
- 100%

In a positive sign for industry growth, 41% of direct buyers would consider using a broker, up from 34% in 2020.

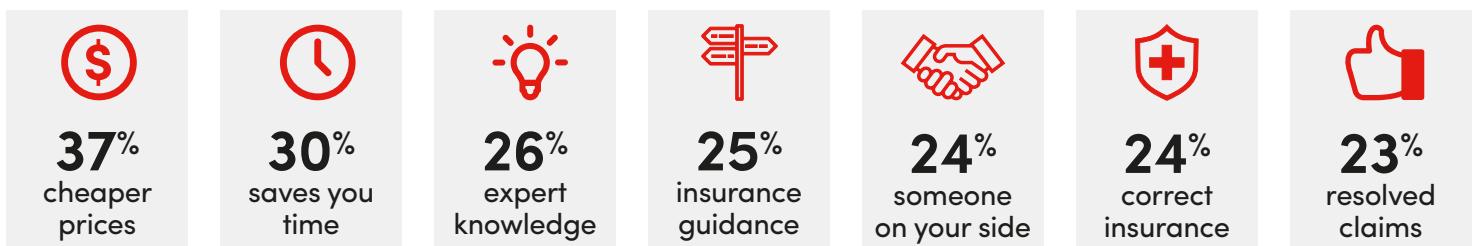
Broker consideration (amongst direct buyers)

- Yes, I will consider using a broker in the future
- I'm not really sure either way
- No, I don't think I would consider it



How can brokers and advisers attract direct buyers?

Top reasons for SMEs to try a broker:

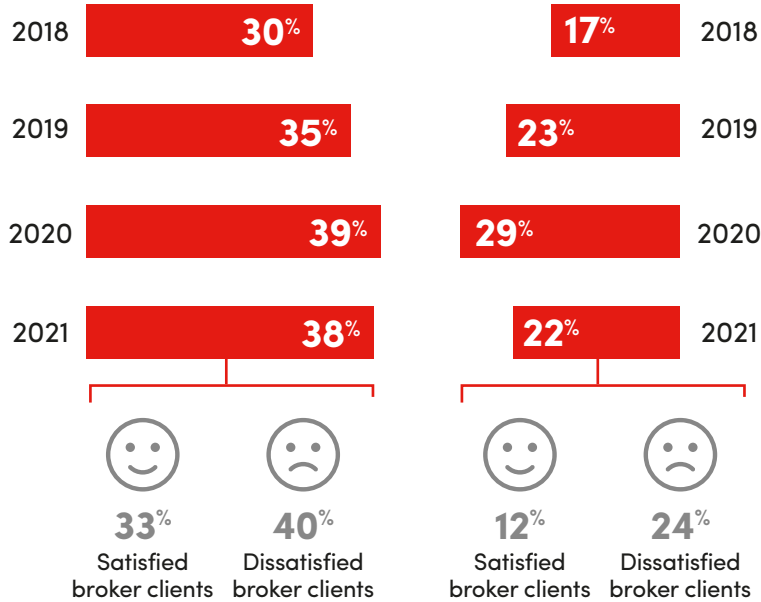


Those considering a broker would do so to save them time or provide guidance and expertise. Brokers could think about using these as key messages in communications and when talking to prospective clients.



A matter of trust

The digital era has made sourcing information easier, but that's created a rise in consumer mistrust, as the annual Edelman Trust Monitor and other studies show. It's a trend seen throughout many countries and industries – and insurance is no exception.



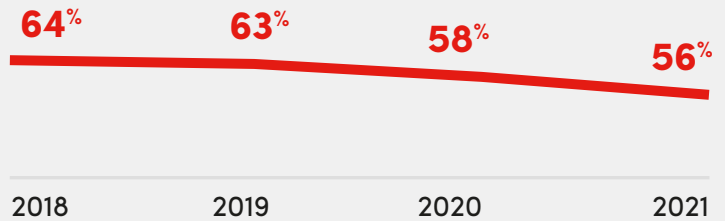
Satisfied SMEs are more trusting.

Interestingly SMEs who are satisfied with their broker also trust them more than those who are dissatisfied.

Our research suggests that, while mistrust is a society-wide trend, brokers can overcome it by developing strong, close, and effective relationships with clients to increase their levels of satisfaction.

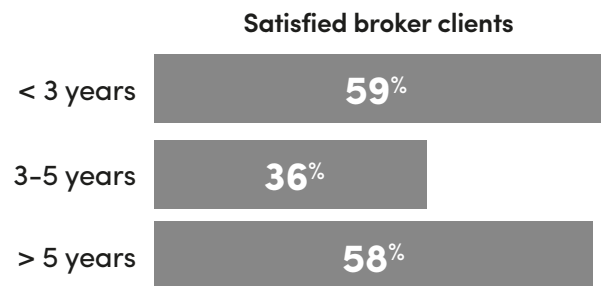
Satisfaction is harder to achieve.

Our research shows 56% of broker clients score their broker at least 8 out of 10, down from 64% in 2018. With customer expectations increasing, an opportunity exists for brokers to identify and deliver a service proposition that meets SMEs growing needs.



Understanding the 'who' enables the 'how'.

Only 36% of SMEs who have been using a broker for 3-5 years are satisfied. This suggests that there is a "honeymoon" effect with new client relationships, and SMEs who have been using a broker for over 5 years may be happy with the rhythm of the well established relationship. To increase satisfaction, brokers might consider more regular contact with SMEs in the 3-5 year group.



Customer expectations of service providers have increased over time across many industries, so to translate initial satisfaction to long-term satisfied relationships, try to create ongoing contact – perhaps a regular 90-day touch with clients to ask about changes to their insurance needs (i.e. more or less employees, working from home, new equipment purchases).

Visit vero.co.nz/sme-index to access the full report for more insights.



Disclaimer: The information displayed is based on commissioned research involving 900 owners and decision makers from around New Zealand. The research was conducted during November 2020. 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.