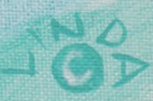




Indigenous Business Insurance Research Report

Prepared by Winangali for Allianz Australia
August 2022



Artwork by Linda Davidson. Linda is a Kamilaroi and Dharug woman currently living in Darwin, NT on Larrakia Land. Linda uses acrylic paints and natural ochres to communicate concepts and stories grounded in her family, life, and cultural experience as a proud First Nations woman. Linda has been painting for over 35 years and has exhibited her artwork throughout Australia, Europe, and the United States.

Linda's painting *Ebb and Flow* is a reimagining of the ocean and how its movements reflect our lives and journeys on this earth. As the waves of time pass through us, we see people coming together and the landscape changing; for ourselves and our communities. With each full moon and each new tide, we can start again; stronger and more powerful than before.

This is a metaphor for the cycles of business and how the recent growth of the First Nations business sector will allow us to make improvements in the lives of our communities.

Linda has limited the licenced for this work to this report only. Any use of this artwork beyond this document is in contravention of the artist's copyright.



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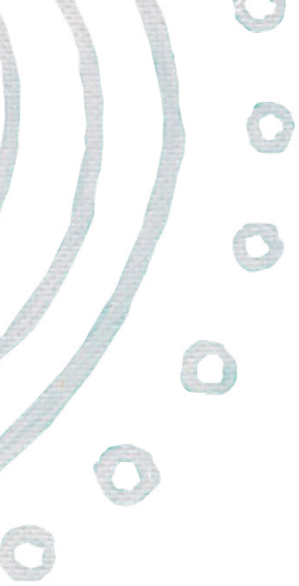
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Acknowledgements

Winangali acknowledges the Traditional Custodians of the land throughout Australia on whose unceded countries we conduct our business. We pay our respects to their Elders past, present and those to come.

Winangali would like to acknowledge the strength and voice of First Nations people who participated in this research.



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Section 1: Executive Summary





The following report provides an analysis of both qualitative and quantitative research undertaken with First Nations businesses in Australia. The purpose of the research is to understand the insurance needs of small First Nations businesses, their attitudes, and behaviours regarding insurance products for businesses. The research also seeks to understand from First Nations business owners the elements and factors that will support and strengthen First Nations businesses in the future.

In terms of structure, this report provides an overview of the methodology undertaken and a detailed analysis of findings – both qualitative and quantitative. An interim report has also previously been delivered which provides further detail on qualitative insights.

The report then outlines implications and recommendations for further research.

Research context

The precise size of the First Nations business sector is difficult to estimate, however ABS data suggests that in the decade between 2006 and 2016 the number of First Nations businesses increased by 72% to over 11,000 First Nations-owned enterprises¹.

The Commonwealth Government introduced the Indigenous Procurement Policy² (IPP) in 2015 to increase the number and value of Commonwealth contracts awarded to First Nations businesses. Supporting and increasing procurement is designed to stimulate First Nations business, grow entrepreneurship, and provide First Nations people with a greater opportunity to participate in the economy. Since the commencement of the IPP, First Nations businesses registered with Supply Nation have accounted for an increase in procurement spend from \$31 million in 2015 to \$1.03 billion in 2021³.

While the First Nations business sector is broader than those businesses registered with Supply Nation, these do account for a significant proportion of the sector. Today, there are more than 3,000 businesses listed with Supply Nation equating to a total revenue of \$3 billion employing more than 30,000 people.

Typically, First Nations businesses employ between 30% and 50% First Nations people, compared to 2% in the broader economy⁴. The majority of businesses listed with Supply Nation have an annual turnover of less than \$20 million and the majority of these are small to medium enterprises. Commonwealth estimates also suggest that 67% of First Nations businesses are small and 32% are medium enterprises with the most prominent sectors being construction (25%), professional, scientific and technical services (15%) and manufacturing (13%).⁵

As an expanding and increasingly diverse sector, First Nations businesses provide an important social and economic benefit to First Nations communities through employment, empowerment and self-determination. Business insurance is a key aspect of building successful and resilient businesses and through understanding the insurance needs of First Nations business, this research aims to strengthen this growing and important sector.

To date, there are few examples of research undertaken in Australia regarding the general insurance needs of Australia's First Nations people. There is a lack of research dedicated to understanding the needs of First Nations businesses and how the insurance industry could better support this valuable sector.

¹Australian Bureau of Statistics (2016), Census of Population and Housing, ABS Cat.No. 2071.0

²National Indigenous Australians Agency, 2022, Indigenous Procurement Policy Website, <https://www.niaa.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>

³Supply Nation, 2020, State of Indigenous Business: Driving growth across the Indigenous business sector, Supply Nation.

⁴Ibid.

⁵Department of Industry, Science, Energy and Resources, 2022, Current state of play for Indigenous business website, <https://www.industry.gov.au/data-and-publications/aboriginal-and-torres-strait-islander-business-support-roadmap/current-state-of-play-for-indigenous-business>



Key insights and findings

The research has shown that First Nations businesses are highly diverse in terms of the sectors and industries in which they operate, their size and levels of business development.

The cost of premiums is only part of the picture

When making decisions about business insurance, the cost of premiums is certainly a factor, but this is not the only or most important criterion for purchasing insurance.

Almost **90%** of business owners indicated that having products that suit their particular business was extremely important and **83%** said that trust in the person providing advice was also an extremely important factor in decision-making about insurance.

While **70%** of business owners said cost was important, other factors such as the ability to understand the insurance cover, ease of purchasing and claims management reputation were more important than cost. The importance of a simple, timely and responsive claims management experience was clearly noted in the focus group discussions.

Business owners said the most common source of information and advice about insurance was sought from other businesses that they know and trust (**66%**), and from brokers (**54%**). Focus group discussions also reflected this with many business owners expressing value in learning from other First Nations businesses who were often people they knew and trusted in their community. This also included preferences to engage brokers that were trusted in community, including brokers who are First Nations identified. Supporting one another's businesses in this way was expressed as valuable and important.

A better understanding of First Nations businesses is needed

Only **8%** of business owners agree that insurance companies understand First Nations businesses and just **25%** agree that insurance companies understand the particular needs of their business.

Almost **70%** of business owners surveyed said that having an insurance company that understands First Nations businesses is extremely important in their decision making about insurance purchases.

The research suggests that a balance is being sought by business owners regarding the needs of their business both as a First Nations business, but also as an emerging and smaller business. Many business owners engaged in culturally-specific activities such as cultural advisory, arts, manufacturing cultural food and health products, or the provision of emerging cultural therapies, have expressed challenges in obtaining insurance and also with insurance companies understanding the services and products they provide.

For many businesses, these issues of understanding needs relate to the specific challenges they face as a new and small business, including micro-businesses and sole traders.

With **63%** of businesses purchasing their insurance through a broker, convenience is a key reason (**75%**), however **50%** reported that they use brokers because they need insurance cover that's more tailored to their businesses. This channel of purchase, information advice and support will be important in achieving a better understanding of First Nations businesses.



Greater awareness and education are essential

95% of businesses agreed that insurance is a 'must have' for their business, but 50% of business owners agreed that there were probably things that they needed insurance for, but they were not aware of these requirements. **16%** of businesses surveyed do not have any insurance at all. This rate is higher in businesses that are less established (**23%**) and smaller in terms of turnover (**19%**).

Reasons provided for not having insurance suggest differing levels of awareness about the insurance products that might be available or relevant to particular businesses or sectors. This was also reflected in the focus groups in which numerous participants spoke about not having awareness of the different types of insurance they might need. This was more prominent in those businesses providing culturally specific products and services as described previously and among micro-businesses and sole-traders. **70%** of business owners said that having information and resources in words they can understand will be extremely important to them in the future.

Participants in the focus groups highlighted a lack of understanding of the kind of cover required specially for home based, micro-businesses. Less established and smaller business owners appear to be more focused on issues of public liability and there is some lack of clarity between public liability cover and worker's compensation cover. In addition to this, concerns about circumstances which risk loss of income were also a key issue identified by small and less established businesses, whereas more established businesses have concerns relating to loss or damage of property, tools and equipment.

Section 4 of this report provides an analysis of the qualitative and quantitative findings.

Recommendations and implications for further actions and research:

Focus groups and qualitative research as a learning opportunity.

An opportunity exists to further engage First Nations businesses, particularly those that are less established, sole-traders and micro-businesses in research and concurrently provide greater awareness, knowledge and empowerment for First Nations businesses with regard to insurance. This will help ensure their businesses and livelihoods are protected and strengthened.

Sector-specific research.

It will be valuable to consider more targeted research that explores the often distinct needs of micro-businesses, artists, those providing cultural knowledge and cultural advisory and those providing culturally important products such as foods, health and personal care products.

Claims experience research.

A number of participants indicated that their understanding, confidence and satisfaction with the claims experience were important decision-making factors for them in their purchasing decisions. Further targeted research on the claims experience will provide opportunities for insights into these elements also.

Research to understand the specific impacts of severe and significant events.

In the current context, research to understand the impacts of the COVID-19 pandemic, bushfire events and flooding events on First Nations businesses represents an important opportunity. There is a great need to support businesses and communities that are becoming more vulnerable to the impacts of significant events and climate change.

First Nations capacity-building in the insurance industry.

Targeted industry research may provide an important opportunity to understand the ways in which Allianz can build and strengthen the capability of insurance providers to embed and respond to First Nations businesses. Research to explore the benefits of establishing a First Nations team to provide comprehensive support to First Nations businesses will be valuable.



Section 2: Introduction





Allianz Australia has engaged Winangali Pty Ltd to undertake research regarding the insurance needs and attitudes of First Nations small businesses. This research is part of the Allianz Reconciliation Action Plan and will assist Allianz to develop an informed view of insurance needs of the First Nations communities.

The Allianz Australia Reconciliation Action Plan (2021-2023) outlines a vision for Allianz:

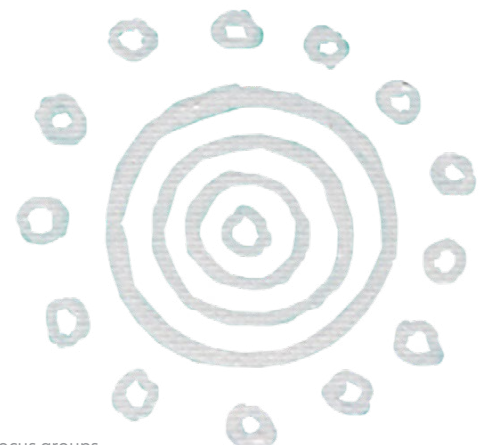
*“At Allianz our vision for reconciliation is for Aboriginal and Torres Strait Islander peoples to be respected, included in all facets of society and through the removal of systemic barriers, be empowered to build prosperity and security for themselves, their families and communities.”**

*“One of the key focus areas of action towards reconciliation is to “Remove barriers and empower our Aboriginal and Torres Strait Islander customers to build prosperity and security by improving the service delivery of Allianz products to Aboriginal and Torres Strait Islander customers.”**

Allianz is seeking to achieve this through investigating and understanding the insurance requirements of First Nations customers, including business customers. This research is intended to establish a foundation for ongoing research to strengthen and support First Nations businesses, and ensure Allianz products and services meet the needs of a changing and rapidly growing sector.

This project has been undertaken over two phases that involved:

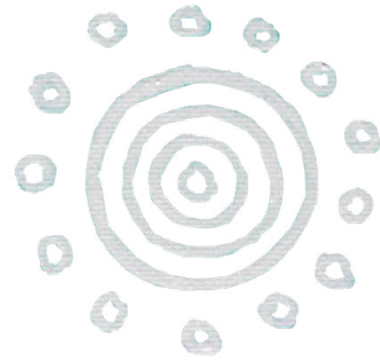
- A series of focus groups with First Nations small business owners to determine their understanding of small business insurance and their needs.
- A survey of a broader sample of First Nations business owners to quantify their attitudes and measure behaviours.



*Verbatim comments from the focus groups

Section 3: Methodology





3.1 Purpose of the research

The purpose of this research is to:

- Understand the attitudes of First Nations small businesses towards insurance; and
- Support the Allianz Reconciliation Action Plan through an informed view of insurance needs of First Nations communities.

3.2 Research scope

For the purpose of this research:

- First Nations businesses are defined as those that are majority owned by persons identifying as Aboriginal and/or Torres Strait Islander; and
- Small businesses are defined as those with an annual turnover of AUD \$20m or less.

This research is focused on understanding the experiences, attitudes and behaviours of First Nations small businesses with respect to their business insurance needs and is not intended to be research about particular insurers or brands.

While some aspects of this research may intersect with business owners' experiences with personal insurance, this research is primarily focused on business insurance.

3.3 Data collection methods

3.3.1 Document and data review

The focus groups and survey were conducted from March – May 2022.

External documents were reviewed to inform a broad understanding of the existing literature and research related to First Nations businesses and insurance. Please see [Appendix A](#) for a list of documents and data reviewed.

3.3.2 Qualitative data collection and analysis

Focus group participants owned businesses providing a diverse range of goods and services across many sectors and industries including bush foods; cultural awareness and training; graphic design; engineering; native plants; skin care products; printing; education and training; arts; glassware and ceramics; agriculture; environmental control; driving schools; health and healing; consulting.

Businesses were a mixture of sole traders, family businesses, and some larger businesses with many employees.

A focus group discussion guide was developed in collaboration with Allianz. All groups were conducted by Noel Niddrie from Winangali via video conferencing.

With the consent of participants, the focus groups were recorded for the purpose of reviewing audio and video as required for thematic analysis. Transcription software was also applied to audio recordings for the purpose of review as necessary. Participants were informed that their responses would be anonymous and de-identified, and that no direct quotes or responses would be attributed to individuals.

Following the delivery of the final report and conclusion of the project with Allianz, all video audio and digital transcripts of the focus groups will be destroyed.

Thematic analysis of the focus groups has been undertaken to reflect the broad questions asked and to identify key insights for the purpose of designing the quantitative survey tool.

High level insights derived from the qualitative research are provided at Section 4 of this report.

3.3.3 Quantitative data collection and analysis

Following the completion of the qualitative research and focus groups, Winangali in collaboration with Allianz designed and published a detailed survey. Based on the qualitative insights gained through the focus groups, the following topics were explored in the quantitative survey:

- Demographic data for First Nations businesses.
- Data that gives insights into the size, enterprise maturity and sectors/industries in which First Nations businesses operate.
- Understanding of the insurance (and risk) profile of First Nations businesses.
- Insights about the experiences and behaviours of First Nations businesses with respect to seeking information and purchasing insurance.
- Insights about the attitudes of First Nations businesses towards insurance.
- Understanding the information and customer service needs of First Nations businesses with regard to insurance.
- Understanding the extent to which the experience of First Nations businesses making insurance claims are positive or negative.
- Insights directly from business owners about the ways in which the insurance sector more broadly can better meet the changing needs of First Nations businesses.

While the total number of First Nations businesses in Australia is difficult to estimate, Supply Nation's Indigenous Business Direct lists approximately 3,500 certified businesses. Precise data is unavailable as to the size of these businesses, but Supply Nation suggest that a majority will have less than \$20m in annual turnover. Distributed widely through existing networks, the quantitative survey sought at least 100 respondents and received a total of 114 responses making the sample size of this survey a representative 3.2%.

For the purpose of the quantitative analysis:

- **less established businesses** are defined as those in operation for less than 4 years;
- **more established businesses** are defined as those in operation for more than 4 years;
- **smaller businesses** are defined as those with an annual turnover of less than \$500,000; and
- **larger businesses** are defined as those with an annual turnover of more than \$500,000.

3.4 Limitations

There are several limitations to this research and any findings and conclusions need to be considered with regard to the limitations below:

- Challenges in achieving a robust sample size of survey respondents due to timing of the survey during school holidays, a number of concurrent surveys in field at the same time among First Nations businesses, and in a post-flood environment.
- In addition to the disqualifying survey questions outlined in the previous section, a number of survey respondents exited the survey prior to completion. This has resulted in a lower sample size at the conclusion of the survey and while these results provide an indication of overall responses, they should be treated with a level of caution.
- The low number of respondents in both qualitative and quantitative data collection who indicated they had made an insurance claim for their business limits the analysis of this experience.



Section 4: Findings



The following section provides an overview of key insights derived from the qualitative focus groups and the quantitative data collected through the survey.

4.1 Demographic profile of survey respondents and businesses

The following section describes the demographic profile of the total 114 First Nations businesses surveyed.

The majority of respondents were female (61%) and the majority (78%) aged over 40 years. While more than half (58%) of businesses surveyed were based in Queensland, 52% provide goods and services in two or more states or territories and 38% of business surveyed provide goods and services in all states and territories. Almost 50% of businesses surveyed have been operating for less than four years, approximately 1 in 4 operate as sole traders, with more than half employing between 1 and 10 people. The majority (64%) of businesses surveyed have an annual turnover of less than \$500,000.

Figure 4.1.1 - Businesses by location.
Where is your business based?

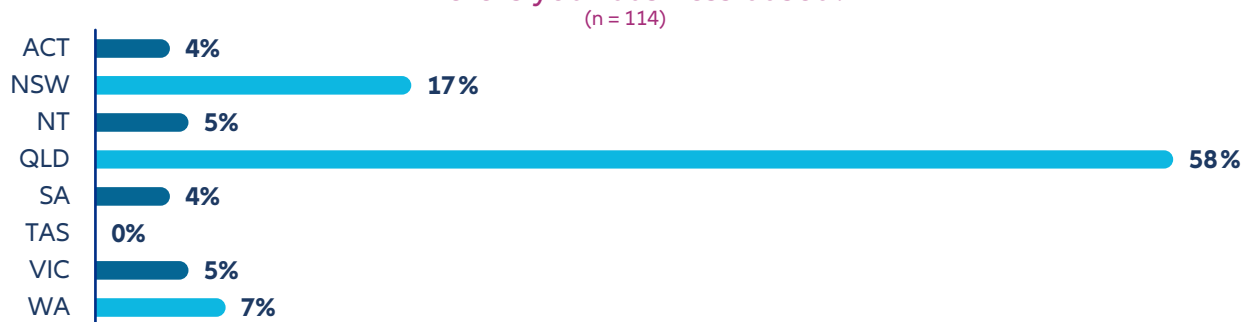
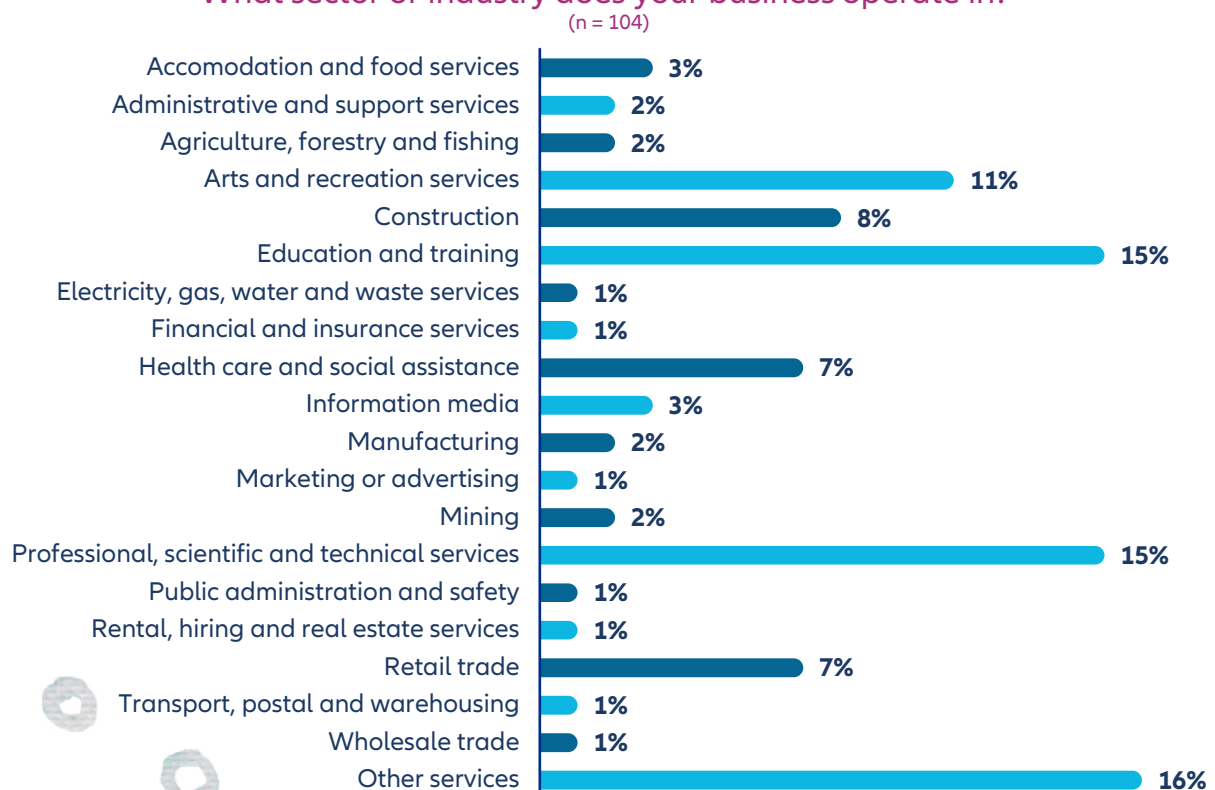


Figure 4.1.2 below provides an indication of the diverse sectors and industries in which businesses surveyed operate. Respondents were asked to select the sector or industry which best applied to their business.

Figure 4.1.2 - Businesses by sector or industry.
What sector or industry does your business operate in?





Professional, scientific and technical services:

Respondents described their businesses as providing a range of professional services from management consulting, professional advisory services, technical and professional services in IT, accounting, engineering, research, communications and media. Businesses in this category also provide cultural advisory services including Native Title consultancy services, cultural diversity and inclusion advisory, and other cultural heritage consulting services.



Education and training:

Businesses in this category are also diverse in the services they provide including training for organisations and corporations on cultural safety and reconciliation, the development and delivery of cultural education and training to schools and workplace training, employment and recruitment services.



Arts and recreation:

Respondents who selected this category are predominantly artists including visual artists, painters, ceramicists and textile artists. Others also described teaching art, delivering digital design services and practicing art-therapy.



Construction:

In this category, respondents described their businesses in civil construction and engineering, rail construction, residential building and design, building maintenance and plant and vehicle hire.



Health care and social assistance:

Respondents described their services in primary health care, counselling and community support, child protection and other social services. Others also provided allied and other health services including yoga and meditation in addition to culturally specific therapy and narrative therapy.



Retail trade:

Many respondents who selected this category describe their businesses as retail trade in gifts, jewellery, art, clothing, furniture and educational resources.

4.2 Business understanding of insurance

Respondents were asked to nominate the types of things, situations or circumstances that they might need insurance for in their business. Selections were made from an established list and respondents were asked to choose any option that might apply to them.

According to the survey responses, top three types of insurance cover that businesses need are:

- 1) Liability (62%)
- 2) Loss of income due to injury or sickness (45%)
- 3) Workers compensation (confused as business insurance) (45%)



The focus group discussions provided an opportunity for participants to learn from one another about different types of insurance they held, and the different types of insurance products that might be available.

Even though loss of income due to injury or sickness is one of the main reasons why business owners believed they should have insurance, one of the common misconceptions found in the focus group was Business Interruption covered injury or sickness. However, this is not the case, Business Interruption covers loss of income or profits as a result of interruption to your business caused by unforeseen defined events, such as a fire to your business premises.

For small businesses operating from home, there was a cross-over between business insurance and home & contents insurance and general lack of understanding about how business insurance cover would work for their circumstances.

While all businesses provided some commonality across responses, there are some differences between businesses that are less established and those that are more established in terms of years of operation.

The top five selections of insurance cover for businesses that had been in operation for **less than four years** include:

- 1) if a client or customer is hurt because of my business;
- 2) loss of income due to being injured myself;
- 3) if I get sick or injured and cannot work;
- 4) if a business vehicle is damaged or stolen; and
- 5) theft of tools and equipment.

Similarly, businesses that had been in operation for **more than four years** also nominated 'if a client or customer is hurt because of my business' as the top selection. These businesses also selected:

- 1) if an employee gets injured at work;
- 2) if a business vehicle is damaged or stolen;
- 3) theft of tools and equipment; and
- 4) loss of income due to being injured myself.

For those with an annual turnover of **less than \$500,000** the top five selections were:

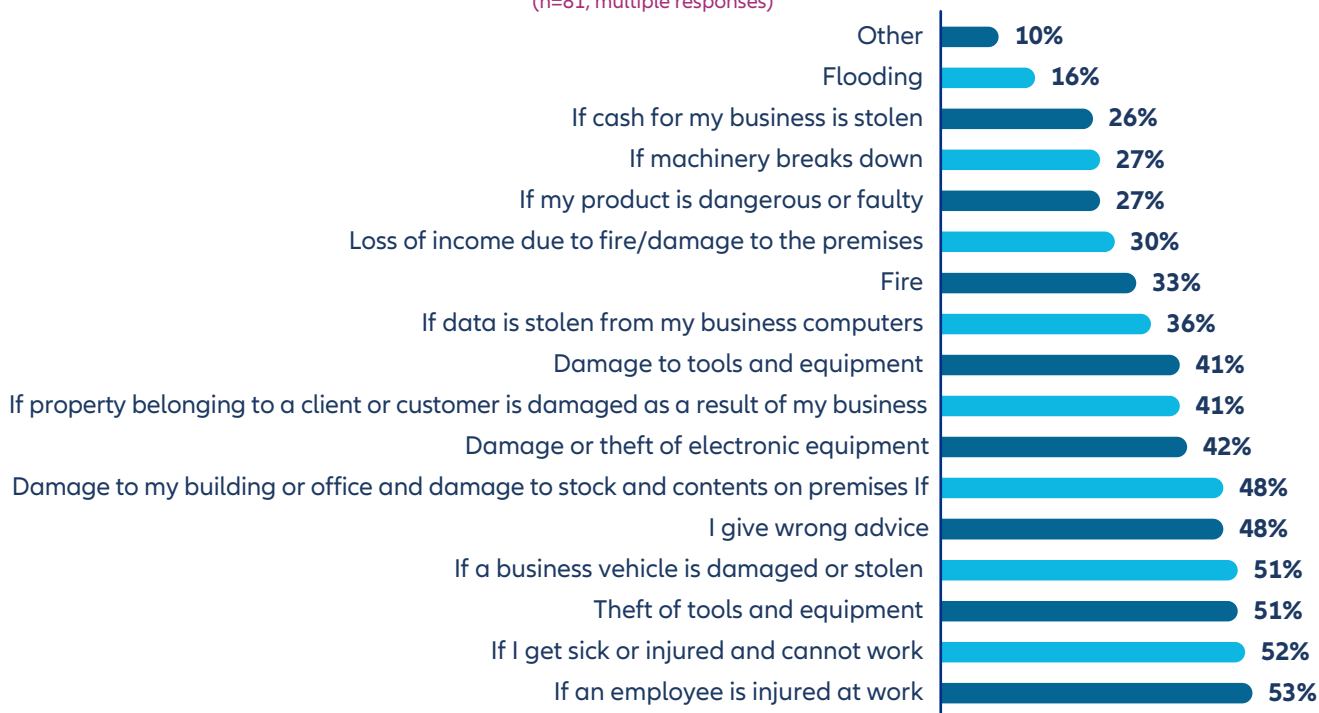
- 1) if a client or customer is hurt because of my business;
- 2) loss of income due to being injured myself;
- 3) if I get sick or injured and cannot work;
- 4) if I give the wrong advice; and
- 5) if a business vehicle is damaged or stolen.

Businesses with a turnover of **more than \$500,000** selected:

- 1) if a client or customer is hurt because of my business;
- 2) if an employee gets injured at work;
- 3) theft of tools and equipment;

Figure 4.2.1 - Business understanding of insurance products

(n=81; multiple responses)



4.3 Types of insurance products

Respondents were also asked to select all of the insurance products they currently held for the purpose of their business. A list was provided, and respondents were asked to select all that applied to their business.

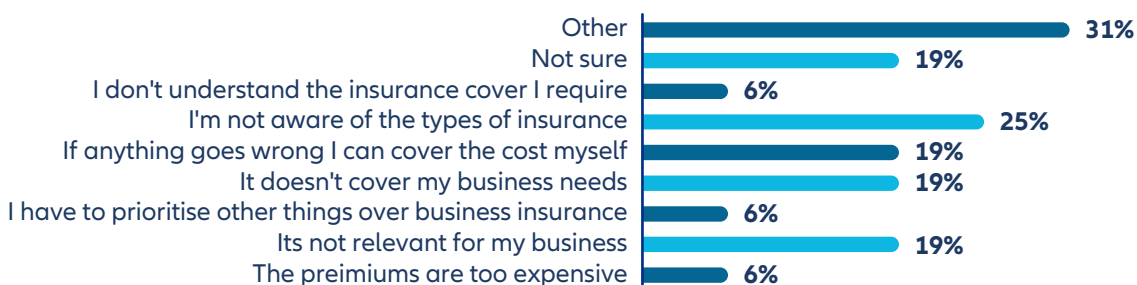
The results show that overall 86% of businesses surveyed has some sort of insurance cover. Among businesses that did not have any insurance cover, the prevalence was

higher among less established businesses (23%) and those with smaller turnover (19%).

The most common reason for not having any insurance cover was the lack of availability of suitable insurance cover for niche businesses such as indigenous art, handmade teaching resources or talk therapy. The other common reasons being new businesses are willing to take the risk or lack of awareness around insurance requirements for a business.

Figure 4.3.1 - Reasons for not having Insurance

(n=16; multiple responses)



*"I'm not making enough at this stage for it to be worthwhile. Potentially could consider in the future."
(handmade teaching resources, business is less than 1 yr. old)*

*"The arts is complicated and not many brokers seem to understand what it means to exhibit work.
Mostly, when sending works the art gallery will cover the insurance (I think).
It's their responsibility to ensure the work is looked after."
(artist, business is 10+ years old)*

4.4 Comparison of insurance products ownership between First Nations businesses and other small businesses*

	Small businesses	First Nations small businesses
Insurance product ownership	85%	86%
Public Liability	66%	71%
General Property	42%	21%
Commercial Motor	29%	28%

Insurance product holding among First Nations small business owners at 86% is comparable to general small business insurance product ownership at 85%. The survey also indicated that two of the top three covers are also on par amongst general small business owners and First Nations small business owners.

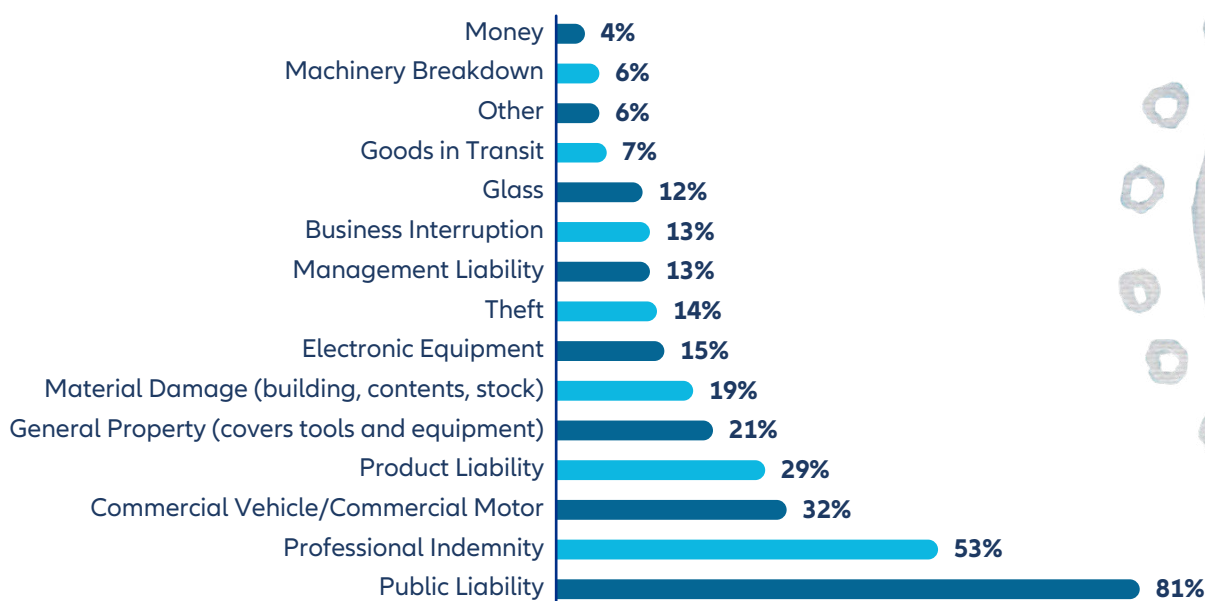
71% of Indigenous small business owners have public liability cover compared to 66% for general small business owners. Ownership of commercial motor cover among the two groups is also comparable at 28% for the Indigenous business owners and 29% for the general small business owners.

Even though loss of property emerged as one of the key concerns from the focus group, only 21% of Indigenous business owners had general property cover compared to

42% of general small businesses. This could be a potential risk for businesses operating from home as their stock related to business will not be covered as part of home and contents insurance. Additionally, if an incident was to occur in the house due to the business operations, the home insurance cover could also be void. This should be a focus area of raising awareness amongst First Nations small business owners.

While there may be an opportunity to improve knowledge of insurance products required for First Nations small business owners, the overall insurance product ownership is on par with the typical small business owner.

Figure 4.4.1 - Types of insurance product holding
(n=81; multiple responses)



*Research conducted by Allianz Australia in 2019 to get better understanding of Australian small businesses

4.4 Attitudes towards insurance and insurance providers – Agreement with the attitude statements

While the overwhelming majority of businesses agreed that insurance was a 'must have' and felt better because they knew their business was protected, a significant proportion felt that information about insurance was not easy to understand and that insurance companies do not understand Indigenous businesses.

Responses from businesses that were less established and those that were more established were very similar, however it can be seen that more established business (those in operation for more than four years) were more likely to feel that insurance companies understood their businesses and that information about insurance products were easy to understand. Trust appears to be less of an issue for businesses that are more well established. Insurance provider understanding of Indigenous businesses remains an issue across all businesses.

There are many similarities in the responses provided by smaller and larger businesses, however these results show that larger businesses are more likely to prefer to deal with a broker and feel that insurance providers understand the needs of their business. Interestingly, the results show that larger businesses were more likely to have a view that suggested a lack of trust towards insurance companies. These results are broadly reflective of the insights gained through the qualitative research where the majority of businesses had a sound understanding of insurance, knowledge of various insurance products and felt that insurance was necessary for the operation of their business. Qualitative research also suggested that issues of trust of insurance providers, understanding of the particular needs of their business and the accessibility of easy-to-understand information were issues of concern for many businesses.

When asked about their attitudes to insurance, focus group participants provided both positive and negative responses. Some quotes from participants are provided below:

"It's meant to be positive, but we hear too many negative stories, there is a gap between what we think we're paying for and what we're actually covered for. The jargon doesn't tell us the right thing."

"Sometimes we don't even know what we need insurance for."

"It's a necessary evil."

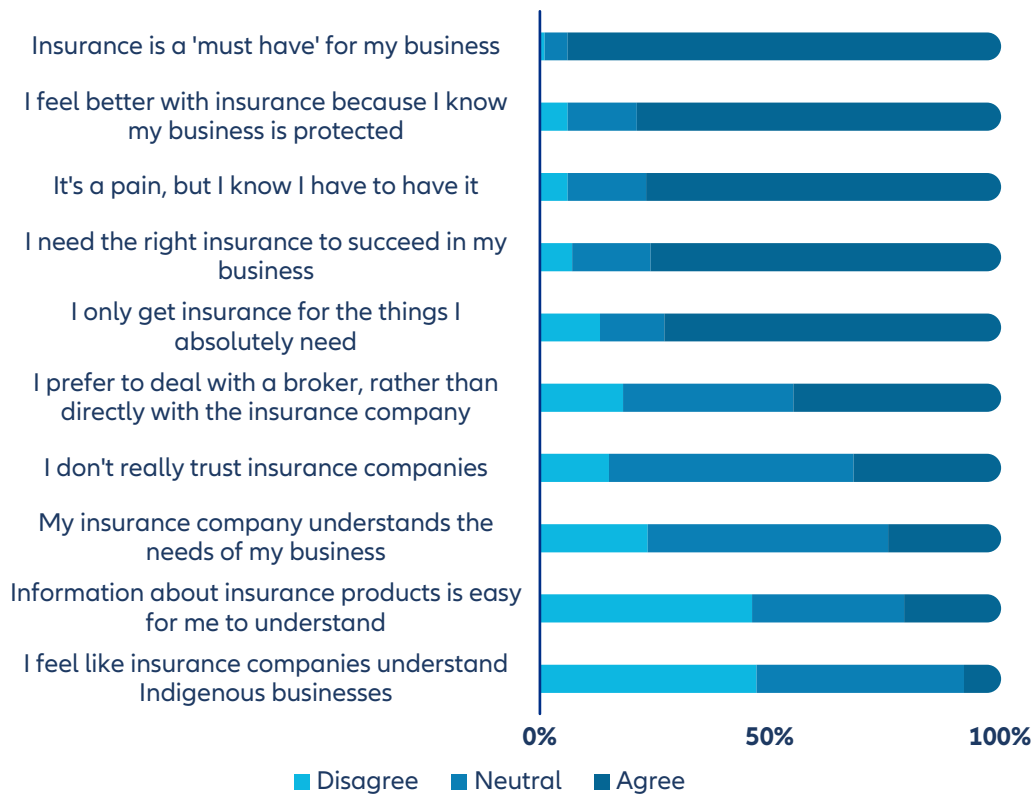
"Sometimes we don't even know what we need insurance for."

"We have systems in place to mitigate risk; but how can we prove this for our premium? There seems to be a generic approach. Our premiums don't reflect the approach we take to risk."

"They take your money for the 'just in case'."



Figure 4.5.1 - Agreement with attitude statements
 To what extent do you agree with the following statements? (n = 78)



4.6 Importance of factors in decision making

In order to understand the ways in which businesses purchase insurance and the key factors they take into account, respondents rated the importance of a number of decision-making considerations. Figure 4.6.1 overleaf provides the results for all businesses combined. The top three factors that impact business purchase decisions are suitability of cover for the business (88%), trust (83%) and ability to understand insurance cover (74%). It is important to note that trust as a factor in decision-making is extremely important for the vast majority of businesses. Cost of premiums and the ease of the process to purchase insurance are also key factors.

Similar to the results shown in section 4.5, businesses surveyed value insurance products that suit their particular business and the ability to understand the cover provided.

Making decisions about insurance for their business was very important for participants in the focus groups. Many participants spoke about cost of premiums as an important factor and the ability to compare costs and then go with the most cost-effective option. Some participants also spoke about looking for trustworthiness, and for some participants, the larger and more well-established insurance companies represented a sense of more reliability and trust.

A number of participant quotes are included below:

"If the process is easy and efficient then I'm happy to pay for this. This is an important factor for our business, in addition to the product itself."

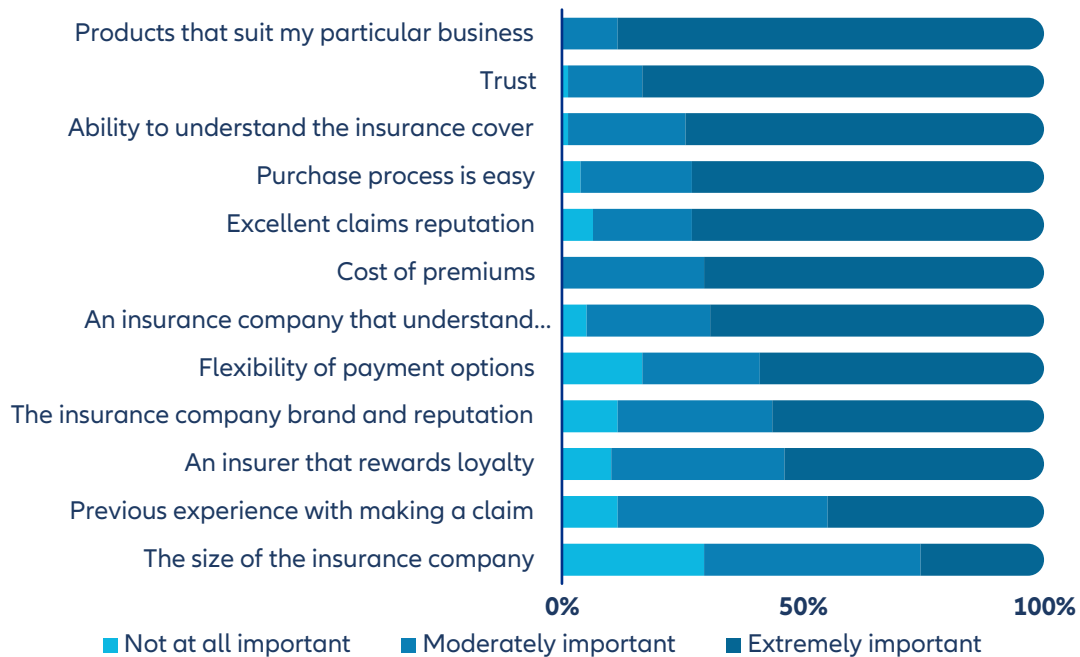
"If someone has a good reputation, but they are more expensive, we will go with this. If we know the claims process is simple and not stressful, then this is better."

"If I know I can trust the process then this is where I'll go."

When exploring differences between less established and more established businesses in the quantitative data, one key result appears to be that having an insurance company that understands Indigenous business is more important to less established businesses and the cost of premiums is more important to business that have been operating for more than four years.

As a key factor in decision making about insurance, insurance companies that understand Indigenous businesses was a significantly more important factor for smaller businesses than those who were larger in terms of turnover. Factors such as trust and having insurance products that suit particular businesses remained equally important across all businesses surveyed.

Figure 4.6.1 - Importance of factors in decision making.
How important are the following factors in making decisions about insurance purchases? (n=78)

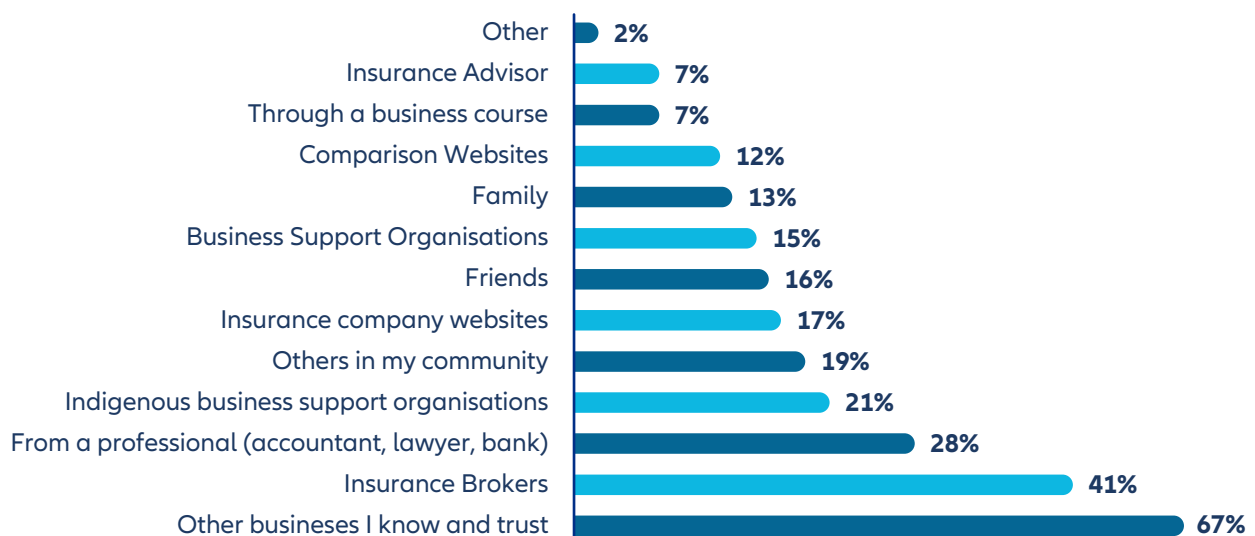


4.7 Ways of purchasing insurance

Respondents were asked about where they sought information or advice about insurance and also asked about whether they used the services of a broker or purchased directly from an insurance provider and the reasons underpinning these choices.

Figure 4.7.1 shows the multiple ways in which respondents seek advice or information about insurance for their business.

Figure 4.7.1 - Sources of advice or information about business insurance
(n=76; multiple responses)





Some respondents identified other ways of seeking advice and information that included:

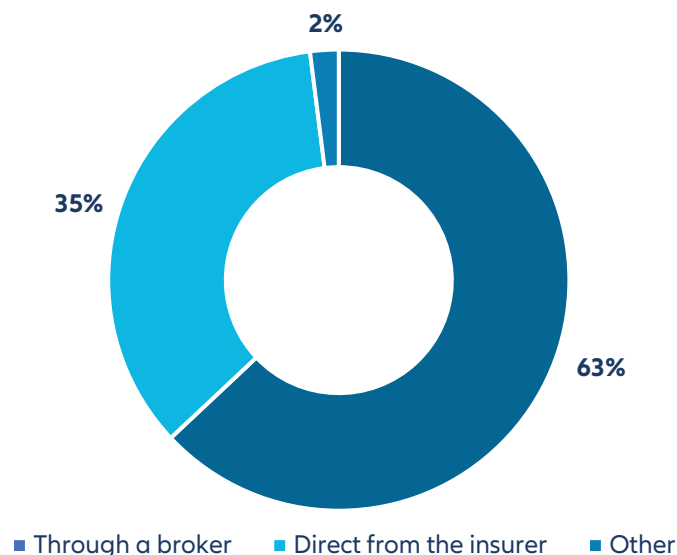
- Professional associations (such as Engineers Australia);
- Online forums and discussion boards;
- Referral through a business development support program (such as New Enterprise Incentive Scheme (NEIS) programs; and
- Through undertaking their own research.

These results are also reflective of the focus group discussions when participants provided multiple responses about where they prefer to seek advice, guidance and information from including (these are not presented in order of importance):

- Through a broker;
- From an insurance company;
- Information on websites;
- Industry peak bodies;
- Comparison services / websites (e.g.: iselect or Compare the Market);
- Other business owners;
- Indigenous Business Australia;
- Contractors or through tender agreements; and
- Through undertaking small business courses.

The majority of participants indicated that information provided by family and friends (52%) has been the most helpful for them. Some participants described their experiences of seeking information directly from insurance companies as feeling “dodgy” or “salesy”, describing feelings of being pushed in a particular direction. Others spoke about the experience of going through a broker as a positive one, describing this as a learning experience, and now feeling confident to engage in the process on their own.

Figure 4.7.2 - Purchasing channels
How do you purchase insurance cover for your business? (n = 78)



Businesses who are more established and larger in terms of turnover are more likely to purchase insurance through a broker. Many focus group participants also indicated

a preference to purchase insurance through engaging a broker and for some, this was a necessary element of operating their business.

“Sometimes getting on the phone and talking to someone (broker) can help save you money.”

4.8 Factors that will make a difference

Respondents were asked to rate a series of factors in terms of importance to them and their business in the future. While all the factors measured are of importance to First Nations businesses, the results indicate that those measures which reflect principles of flexibility, adaptability and suitability to the particular needs of individual business are among the most important.

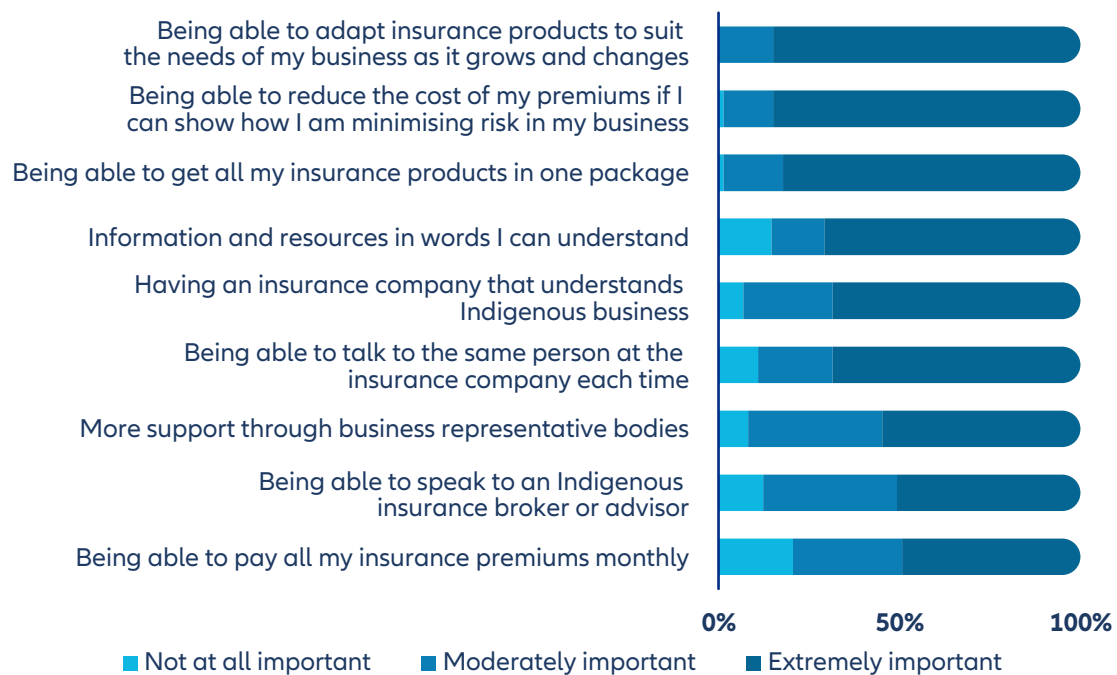
Approximately 85% of respondents indicated that being able to demonstrate risk mitigation as a business and

then be able to structure insurance coverage accordingly is extremely important. This also reflects insights gained from qualitative research.

The ability for insurance providers to demonstrate an understanding of First Nations businesses is also important for businesses surveyed (extremely important to 70%).

Also reflected in the qualitative insights is a strong need for businesses to be able to access information and resources in language and words that are easily understood.

Figure 4.8.1 - Factors that would make a difference. Making a difference in the future for you and your business, how important would the following factors be? (all) (n = 73)



When asked about how things might be improved for First Nations businesses in terms of information and understanding of insurance, focus group participants spoke broadly about the following aspects:

- More streamlined information and resources.
- The importance of information about insurance in layman's terms with real life scenarios to help businesses better understand their insurance needs.
- Building relationships and one-on-one understanding between insurance companies and First Nations businesses.
- Good customer care.

- Packages of information tailored for new and emerging businesses and to the structure of the business.
- More support for First Nations businesses through the ATO, state-based industry and support organisations.
- More First Nations brokers and insurance companies that understand First Nations businesses with culturally relevant content and culturally capable people.

In concluding the survey, respondents were asked if they would like to make any further comments about business insurance and how the insurance industry could better support their businesses. These comments are provided below.

"I need a simplistic document that helps me navigate what is needed for my business."

"Getting more representatives out into the grassroots of SME businesses i.e. chambers, business hubs."

"Having a dedicated Indigenous business branch."



Appendix A: Documents and data reviewed

Received from Allianz Australia:

- Allianz Australia Innovate Reconciliation Action Plan (RAP) July 2021 – July 2023.
- Internal product information on Allianz Small Business Insurance.

Additional documents reviewed:

- Indigenous Business Australia, 2008, East Arnhem Land Business Development Approach: An Interim Review of IBA's Approach to Developing Small Businesses in East Arnhem Land, Prepared by SGS Economics and Planning for Indigenous Business Australia.
- Insurance Council of Australia, 2020, Insurers taking steps towards greater Indigenous engagement and understanding, News Release, Wednesday October 21, 2020.
- IP Australia, 2012, Nanga Mai Arung, Dream Shield: A guide to protecting designs, brands and inventions for Aboriginal and Torres Strait Islanders, IP Australia.
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- Morrison, M Collins, J BASU, PK Krivokapic-Skoko, B 2014, Determining the factors influencing the success of private and community-owned Indigenous businesses across remote, regional and urban Australia: Final report prepared for the Australian Research Council and Indigenous Business Australia, December 2014.
- Supply Nation, 2021, State of Indigenous Business: The impact of COVID-19 on the Indigenous business sector: the view from the frontline, Supply Nation Research Report No. 3, 2021
- Supply Nation, 2020, State of Indigenous Business: A quantitative analysis of the impact of COVID-19 on the Indigenous business sector, Supply Nation Research Report No. 2, & December, 2020.
- Supply Nation, 2020, State of Indigenous Business: Driving growth across the Indigenous business sector, Supply Nation Research Report No. 1, 2020.

