



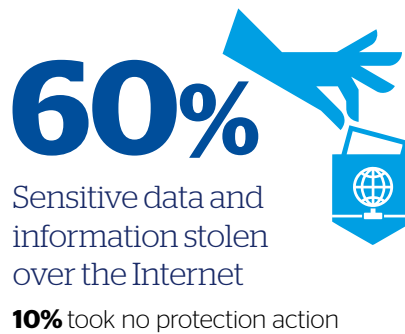
# The Risks of Regret

## QBE Hong Kong business liability and professional indemnity report 2017

QBE Insurance conducted research among large corporations and SMEs in Hong Kong in April and May 2017. The research looked at what challenges they see for their business and how well prepared they are to face a range of typical business risks.

### Tendency is to be reactive rather than proactive

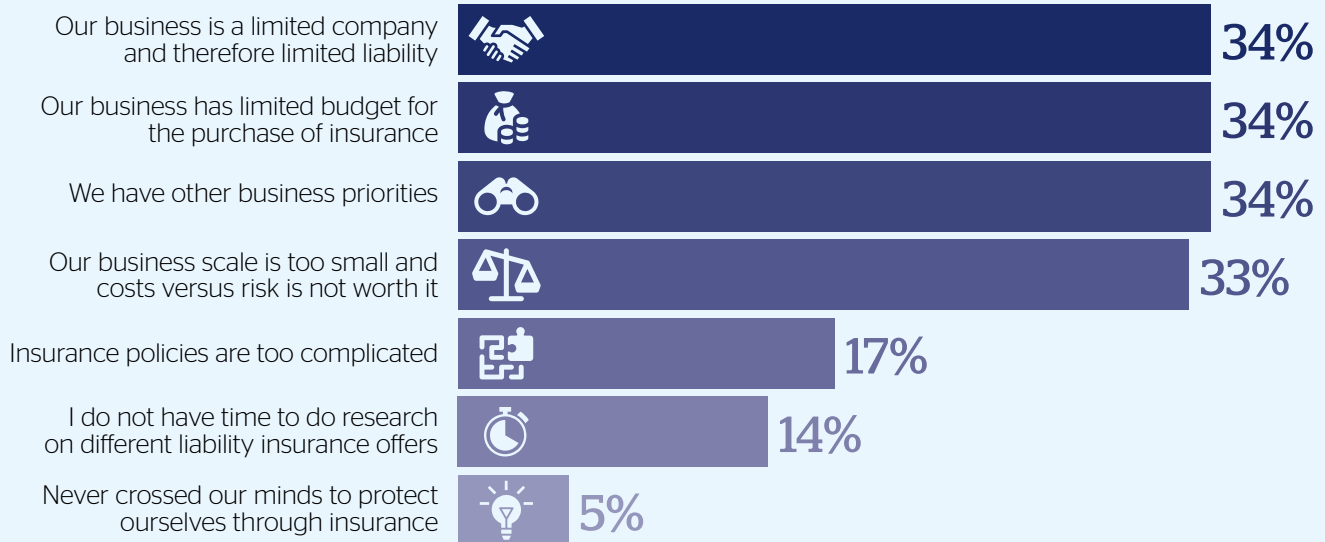
The percentage of companies with protection after an incident happened



### Top 5 business disruptions experienced in the past 12 months across all industries were:

-  **26%** Income lost due to business interruption
-  **23%** Loss due to equipment breakdown
-  **21%** Legal and regulatory compliance issues
-  **20%** Staff injury at work
-  **16%** Damaged/lost due to inventory

# Why aren't companies protecting themselves against risk?



## Mind the Gaps

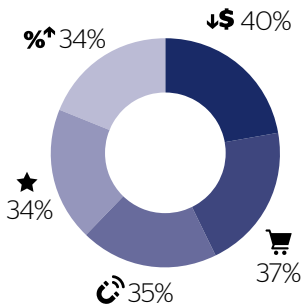
While the awareness and usage of general business insurance is high, there is still low awareness and usage of business liability and professional indemnity cover across all industries



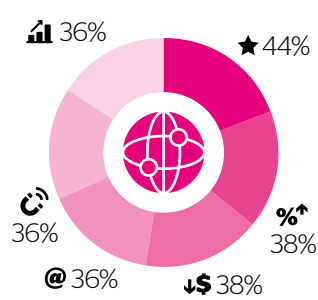
# Top 5 Business Challenges of 2017/2018

The biggest concerns differ by industry but there are some common themes such as business cost reduction and technology and systems across all

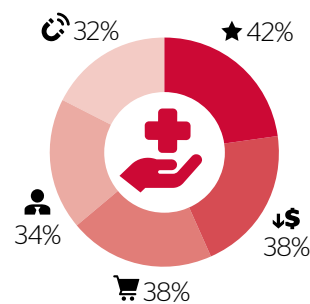
## All



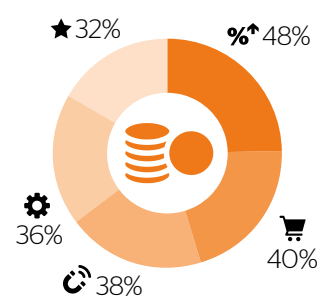
## IT and Telecommunications



## Healthcare



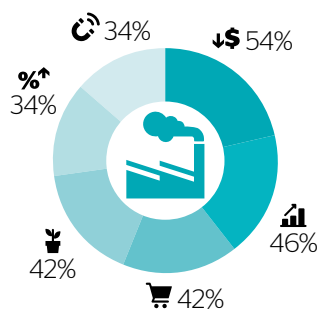
## Financial Services



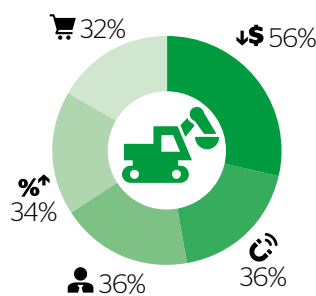
### Key

- %^ Business profitability
- ↓\$ Business cost reduction
- 👤 Staff retention
- @ Technology and systems
- 🛒 Customer retention
- ★ Talent acquisition
- 🔒 Business data and information protection
- ⚙️ Compliance and regulations
- ! New regulations and laws
- 📈 Business expansion
- 📊 Market share increase
- 🔄 Customer acquisition

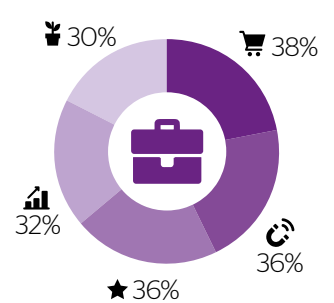
## Manufacturing



## Construction and Engineering



## Professional and Business Services



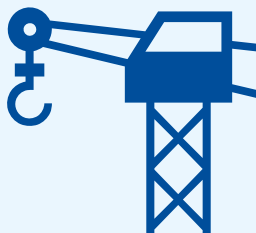
## Major changes for 2017/2018

### Business Slowdown

The business slowdown is expected to continue according to 38% of respondents who are expecting high input cost and low profitability over the next 12 months.

Manufacturing and Construction & Engineering cite a slowdown in sales and business as their biggest challenge at 48% and 62% respectively.

38%



### Technology Innovation

23% of companies believe technology advancement/innovation will continue to impact their business over the next 12 months; with a marked difference between SMEs at 18% and large corporates at 28%. The IT & Telecom sector sees the biggest impact at (40%).

23%



### Greater Competition

Financial and Business Services and Manufacturing see competition from newcomers as the most crucial factor at 38% and 32% respectively.

38%



### Personalisation

Rising expectations for personalised customer services and products was the third biggest driver of change at 22%, together with intense competition from newcomers, also at 22%.

Professional Services sees the biggest impact of personalisation, at 34%.



22%

## **Research Methodology**

QBE conducted research via telephone and online among 297 business and financial decision makers from small and medium enterprises and large corporations in Hong Kong. Respondents were equally divided among six key industries: IT & Telecommunications; Healthcare; Financial Services; Manufacturing and fabrication; Construction & Engineering; and Professional and Business services.

## **About QBE Hong Kong**

Established in Hong Kong 100 years ago, QBE Hong Kong operations today include QBE Hongkong & Shanghai Insurance (QBE HKSI), QBE General Insurance and QBE Mortgage Insurance (QBE MI). As a leading general insurer, QBE Hong Kong delivers a wide range of non-life insurance solutions for both corporate and personal customers.

QBE Hong Kong is part of the QBE Emerging Markets Division of QBE Insurance Group Limited, one of the top 20 insurers and reinsurers worldwide. QBE Insurance Group's 2016 full year results can be found at [www.group.qbe.com](http://www.group.qbe.com). Headquartered in Sydney, Australia, the QBE Group operates out of 37 countries and territories around the globe, with a presence in every key insurance market. The Emerging Markets Division has a presence in 22 markets in Asia Pacific and Latin America.

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