

Middle Market Indicator

Market Dynamics Outlook 2021 Year-End

In December 2021, Chubb and the National Center for the Middle Market (NCMM) surveyed 1,000 executives of middle market companies for its semi-annual Middle Market Indicator report. Chubb is providing these survey insights to help companies and their insurance partners understand business trends and evolving risks.

Middle Market Companies Showing Signs of Recovery

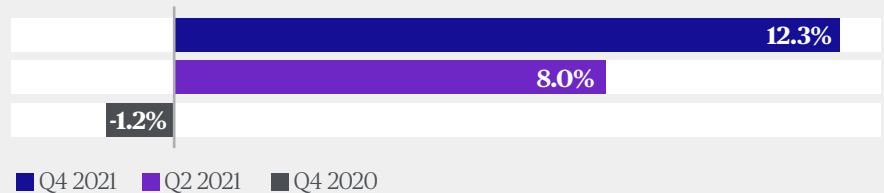
After nearly two years of navigating COVID-19-related disruption, middle market firms are showing promising signs of economic recovery. By the end of 2021, two-thirds (67%) of these companies reported that they were doing much or somewhat better than they were prior to the pandemic.

As a result, middle market firms are positioned to take advantage of new opportunities. Nearly two-thirds of these companies plan to introduce a new product or service in the year ahead, and many are looking to expand into new domestic and international markets.

Middle Market Companies That Are Extremely, Very or Somewhat Confident in the Economy



Growth in Gross Revenues Compared to One Year Ago



64%

of middle market companies say they are extremely/very likely to introduce a new product or service in the next 12 months

61%

of middle market companies say they are extremely/very likely to expand into new domestic markets in the next 12 months

48%

of middle market companies say they are extremely/very likely to expand into new international markets in the next 12 months

Navigating Evolving Business Needs and Challenges

While middle market companies continue to innovate and grow, they're contending with an evolving business and risk landscape.

As middle market firms seek to expand internationally, several factors have the potential to stymie their success. Increasingly frequent and severe weather events, complex data privacy laws and uncertainty around future trade policies given the new U.S. political administration are among middle market leaders' concerns.

Supply chain disruption and the tight labor market are only compounding such challenges.

Impact the Following Factors Have on Middle Market Firms' Ability to Do Business Overseas

Increasing frequency and severity of extreme weather events



Complex or varying data privacy laws by jurisdiction



Uncertainty around future trade policies given new U.S. political administration



■ Impact ■ No impact

Navigating Evolving Business Needs and Challenges (continued)

Middle Market Firms that Were Directly Impacted by Supply Chain Disruptions/Constraints in the Prior Six Months



Degree to Which Middle Market Firms Are Challenged by Finding and Hiring Employees with the Right Skills for the Jobs Available

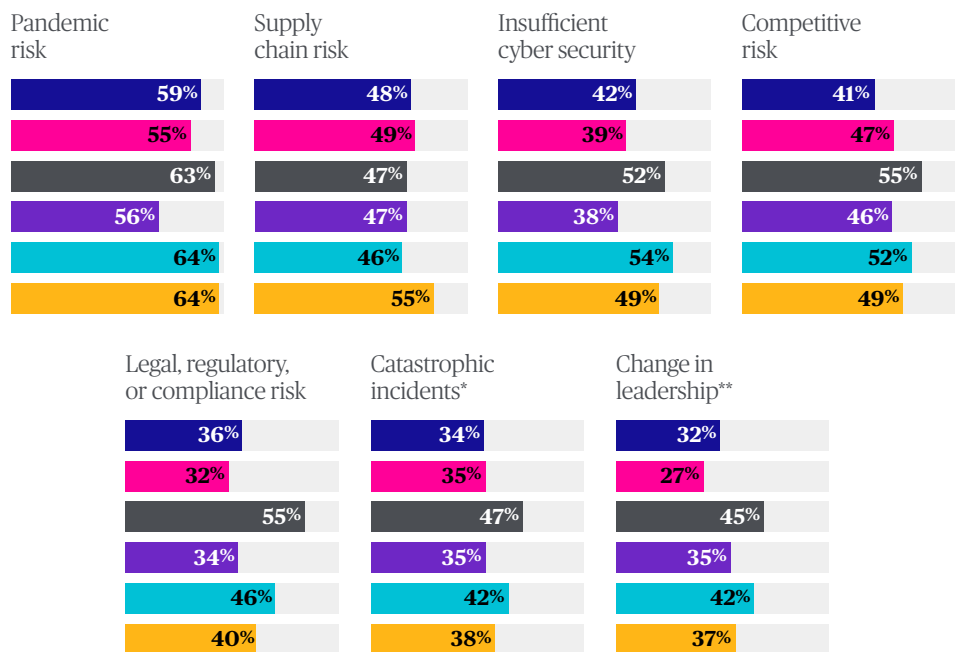


Risk Management Remains a Concern for Middle Market Companies

As middle market firms look to navigate potential business threats, risk management will be key.

More than a third of middle market firms rank increased risks (e.g., cyber, climate/weather) among the three most difficult aspects of running their business in the current environment. Pandemic-related risk is a top concern - more than half of middle market firms find it extremely or very challenging to manage - followed by supply chain risk. As middle market leaders contend with new and evolving exposures, Chubb Risk Engineering services, insights and customizable insurance solutions can help companies be better prepared and protected.

Middle Market Firms Find Managing the Following Risks Extremely or Very Challenging



- Overall Middle Market Firms
- Middle Market Manufacturers
- Middle Market Financial Service Companies
- Middle Market Technology Companies
- Middle Market Life Sciences Companies
- Middle Market Companies with International Revenue

Middle market firms should continue to work with their insurance agent or broker to help manage exposures as needs evolve. By updating their risk management approach and insurance program as appropriate, middle market firms can better protect their businesses, avoid potential insurance coverage gaps and focus on continued growth.

For more information on these or other topics, visit Chubb.com.

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*not cyber) (natural disasters, operational problems)
**or control (CEO succession, M&A)

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