



Middle Market Indicator

Market Dynamics Outlook 2021 Year-End - Supply Chain Spotlight

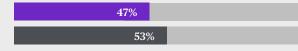
In December 2021, Chubb and the National Center for the Middle Market (NCMM) surveyed 1,000 executives of middle market companies for its semi-annual Middle Market Indicator report. Chubb is providing these survey insights to help companies and their insurance partners understand business trends and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

Middle Market Firms Grapple with Supply Chain Challenges

Supply chain disruption is a major pain point for middle market companies. Since the onset of COVID-19, facility shutdowns, port closures, last-mile delivery issues, staffing shortages and skyrocketing demand for certain goods have compounded the effects of severe weather events, geopolitical tensions and other elements contributing to supply chain challenges.

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

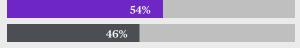
Overall Middle Market Firms:



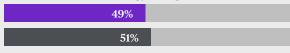
Middle Market Manufacturers:

	59%	
41%		

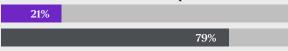
Middle Market Financial Services Companies:



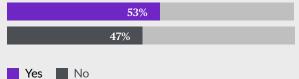
Middle Market Technology Companies:



Middle Market Life Sciences Companies:



Middle Market Companies with International Revenue:



As they look to the future, middle market firms are keenly aware of how supply chain disruption - and COVID-19's impact on the supply chain - could continue hindering operations.

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

83%

report a negative impact on their revenue

76%

say supply chain disruption is negatively impacting revenue projections for the year ahead

COVID-19's Future Impact on Supply Chain

36%

of middle market firms believe COVID-19 will have a negative impact on supply chain in the coming year. (33% Q2 2021, 43% Q4 2020)

Middle Market Firms' Preparedness to Respond to Disruption



This increases to 49% when

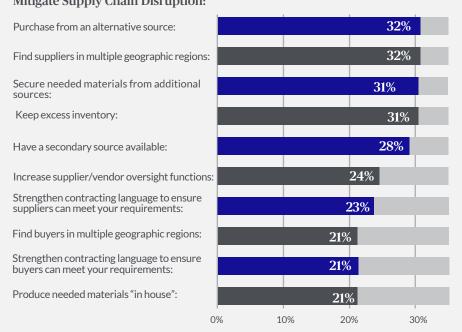
including those who feel both completely and very prepared.

feel not very/not at all prepared to respond to supply chain disruption.

It's essential for middle market companies to take stock of the supply chain challenges they're facing and evaluate their approach to overcoming them. What can be improved upon to position the business for success in the long term?

Middle Market Firms that Were Directly Impacted by Supply Chain Disruptions/Constraints in the Prior Six Months Find the Following **Extremely or Very Challenging:** Coping with service disruptions (e.g., portclosures, natural disasters, union 59% stoppages, etc.): Growing complexity of the supply chain: 59% 56% Size and scale of the supply chain: Globalization of the supply chain: Competition: **52%** 51% Complying with customer requirements: Negotiating terms with suppliers: 51% 0% 10% 20% 30% 50% 70% When working with their insurance agent or broker, middle market leaders should make sure supply chain disruption is part of the discussion. These professionals can help middle market leaders stay on the pulse of evolving supply chain challenges, and gain a deeper understanding of related risks so risk management strategies as well as insurance coverages and limits can be reviewed and updated as needed.

Middle Market Firms that Were Directly Impacted by Supply Chain Disruptions/Constraints in the Prior Six Months Do the Following to Mitigate Supply Chain Disruption:



For more information about navigating supply chain challenges, visit https://www.chubb.com/supply-chain-management.

Chubb. Insured.[™]

Statistical data contained herein is provided by the National Center for the Middle Market unless otherwise stated. The material presented herein is not intended to provide legal or other expert advice as to any of the subjects mentioned, but rather is presented for general information only. You should consult knowledgeable experts as to any legal or technical questions you may have. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For a list of these subsidiaries, please visit our website at www.chubb.com. Insurance provided by ACE American Insurance Company and its U.S.-based Chubb underwriting company affiliates. All products may not be available in all states. Coverage is subject to the language of the policies as actually issued. Surplus lines insurance sold only through licensed surplus lines producers. Chubb, 202 Hall's Mill Rd., Whitehouse Station, NJ 08889-1600. Form 40-01-0154 (Ed.3/22)

^{*}Financial services companies include those who reported the industry their company engages in as "financial services/insurance"