

# Middle Market Indicator

## Market Dynamics Outlook 2021 Year-End - Technology

In December 2021, Chubb's and The National Center for the Middle Market surveyed 1,000 executives of middle market companies for the 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 Technology Companies Find Opportunity Amid Disruption

While their outlook was made uncertain by the COVID-19 variants in the second half of 2021, a solid majority of middle market technology companies are performing better than before the pandemic.

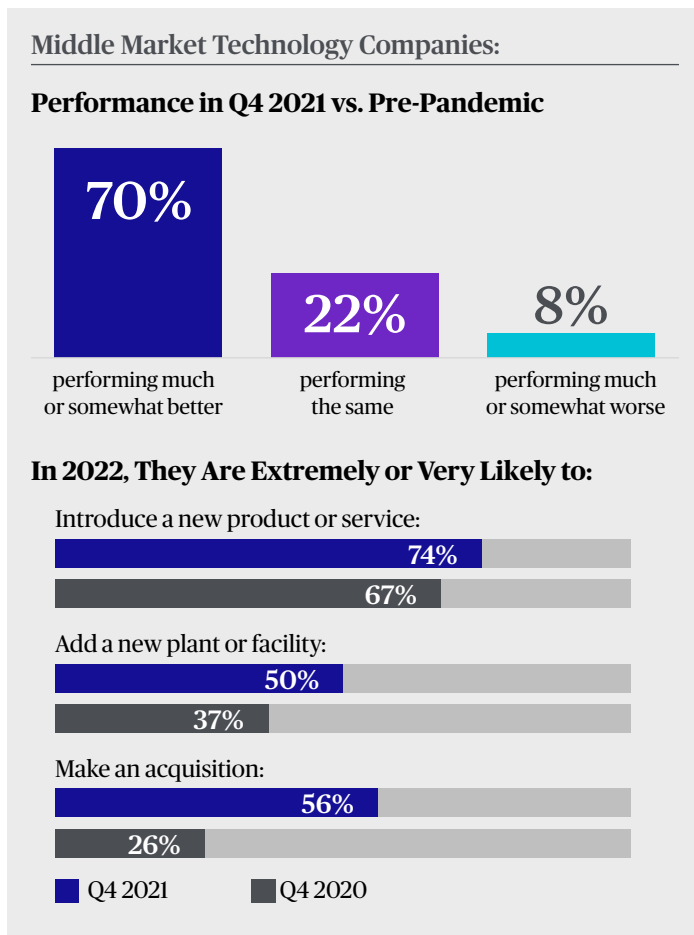
Most of these companies also remain confident in the economy at all levels, despite disruptions to their operations from the pandemic and other causes. As a result, the majority of middle market tech companies see opportunities for market expansion and innovation within the next year. These companies expect to launch new products or services and make acquisitions in 2022.

Of course, this increase in business activity may translate into additional risk exposures that need to be managed.

### Managing Through Workforce Challenges

Middle market technology companies are having difficulty finding enough employees to meet their business demands and most are challenged by hiring employees with the right skills.

As a result, many of these companies have found it necessary take actions that could increase risks of employee overwork, injuries and mistakes or could hamper growth. Explore Chubb's [risk engineering](#) and [workers compensation](#) coverage solutions that can help middle market tech firms better manage these types of risk exposures.



## Companies Embrace Risk Management but Gaps Remain

Middle market technology companies have made great strides in improving their risk management posture during the pandemic, while navigating a heightened risk landscape.

Nearly half of these companies were directly impacted by supply disruptions or constraints in the second half of 2021, and more than three-fourths of those report that supply chain disruptions are negatively affecting their revenue projections for 2022.

Middle market technology companies continue to have challenges managing specific risks. For example, around 40% are still not at all, not very, or somewhat prepared for risks that can lead to business disruption, including hazardous weather and physical damage from water or fire.

Middle market technology companies should discuss their evolving operations and challenges with their insurance agent or broker, who can help assess how these changes and external factors may introduce or increase risk and make any necessary updates to risk management strategies as well as insurance coverages and limits.

For more information on these or other topics, visit [www.chubb.com/us-en/business-insurance/technology.html](http://www.chubb.com/us-en/business-insurance/technology.html)

### Middle Market Technology Companies:

#### Readiness to Respond to Property-Related Risks

##### Somewhat or Not Prepared:

Pandemic disruptions:

47%

Prolonged power outage:

44%

Supply chain disruptions:

47%

Physical damage from water or fire:

32%

Hazardous weather:

40%

#### Impact of Supply Chain Disruption

49%

directly impacted by supply chain disruptions/constraints in the second half of 2021

78%

of those reported a negative impact on their 2022 revenue projections

#### Mitigated Supply Chain Disruption By

Purchasing from an alternative source:

38%

Finding suppliers in multiple geographic regions:

34%

Securing needed materials from additional sources:

36%

Moving operations (onshoring, nearshoring):

34%

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