

Middle Market Indicator

Market Dynamics Outlook 2021 Year-End - Life Sciences Companies

In December 2021, Chubb and the National Center for the Middle Market (NCMM) 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.

Companies Positioned for Continued Growth

Middle market life sciences companies found opportunity amid the disruption caused by the COVID-19 pandemic, which served as a catalyst for many of these companies to innovate new products and services.

More than three-fourths of survey respondents from these companies expressed confidence in the economy at the global, national and local levels and say they are faring better than they were at year-end 2019.

Looking ahead, about two-thirds of middle market life sciences companies expect their gross revenues to grow in 2022, and a similar share of companies plan to bring new products or services to market and expand their geographical footprint into new markets around the world.

Middle Market Life Sciences Companies:

Confidence in the Economy

83%

Global Economy

90%

National Economy

94%

Local Economy

Company Performance

76% are doing much or somewhat better now compared to prior to the pandemic

Projected Revenue Growth

66% anticipate their gross revenue will grow in the next 12 months

In the Next 12 Months, Middle Market Life Sciences Companies Are Extremely or Very Likely to:

Introduce a new product or service:	66%
Expand into new domestic markets:	63%
Expand into new international markets:	65%

Managing Through Workforce Challenges

As they continue to grow, middle market life sciences companies are having difficulty finding enough employees to meet their business demands and nearly all are experiencing challenges with hiring talent with the right skills.

As a result, many of these companies have found it necessary to take actions that could increase risks of employee overwork, injuries and costly mistakes - such as employees working longer hours or extra shifts - or hamper their growth plans. Explore Chubb's [risk engineering](#) and [workers compensation](#) coverage solutions that can help middle market life sciences firms better manage these types of risk exposures.

Middle Market Life Sciences Companies:

35% say workforce is insufficient for current market conditions; will have to hire

95% are challenged by finding and hiring employees with the right skills

These Firms Experienced:

Employees working longer hours/more shifts:	45%
Having to bring in consultants:	45%
Having to outsource:	38%
Having to slow down on productivity/sales:	37%

Balancing Opportunity with Potential Risk

Middle market life sciences companies are navigating real and potential risks as they expand their businesses, ranging from supply chain disruptions to extreme weather. Almost two years into the pandemic, nearly half of middle market life sciences companies find managing supply chain risks to be extremely or very challenging, and most that have experienced these disruptions say it is affecting their revenue projections for the year ahead. Explore Chubb's resources for managing supply chain disruptions.

In addition, some of these companies are still not fully prepared to manage property-related risks. Discover insights and resources to help stay protected from [water damage](#), [hurricanes](#) and [wildfires](#).

Moreover, more than half anticipate issues like data privacy laws and trade policies affecting their ability to do business overseas.

Middle market life sciences 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, please visit www.chubb.com/us-en/business-insurance/life-sciences.html

Middle Market Life Sciences Companies:

Impacts on Ability to Do Business Overseas

Complex or varying data privacy laws by jurisdiction:

58%

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

58%

Increasing frequency and severity of extreme weather events:

52%

Supply Chain Disruption

46%

find managing supply chain disruptions/constraints challenging

91%

of those impacted by supply disruptions say it is negatively impacting revenue projections for 2022

Preparedness to Respond to Property-Related Risks

Somewhat/not very/not at all prepared:

Physical damage from water or fire:

29%

Hazardous weather:

26%

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