CHUBB®

UK & IRELAND

Middle Market Risk Radar 2026



Small and medium sized enterprises (SMEs) across the UK and Ireland (UK&I) are ambitious, highly risk-aware and in pursuit of growth amid increasingly challenging market conditions. Chubb's 2026 Middle Market Risk Radar provides insight to their aspirations, their concerns and their preparedness for what might come next.

Middle Market Risk Radar 2026

Chubb surveyed 150 insurance and/or risk management decision-makers across the UK and Ireland in July 2026. For the purposes of the survey, small businesses were defined as businesses with annual turnover between £50m and £100m in the UK and between €50m and €100m in Ireland. Mid-size businesses were defined as businesses with annual turnover between £100m and £500m in the UK and €100m and €500m in Ireland.

Optimistic and ambitious plans

UK&I mid-market businesses are pursuing growth on multiple fronts. More than 90% plan to launch new products and/or services and invest in AI in the next 12 months, with 89% looking to add head count and 82% planning to expand internationally.

97%
add new products and/or services

92%
increase investment in or adoption of AI

89%
increase their workforce

82%
expand internationally into new markets

(% Highly/Very Likely)



"To be resilient in a dynamic climate, companies have to get ahead of risk. Future proofing a business means understanding risk through proactive risk assessment, creating a realistic mitigation plan should the worst happen and testing it robustly to anticipate how that plan responds in the face of an incident."



Andy Houston
Chubb Head of Commercial Insurance, UK&I

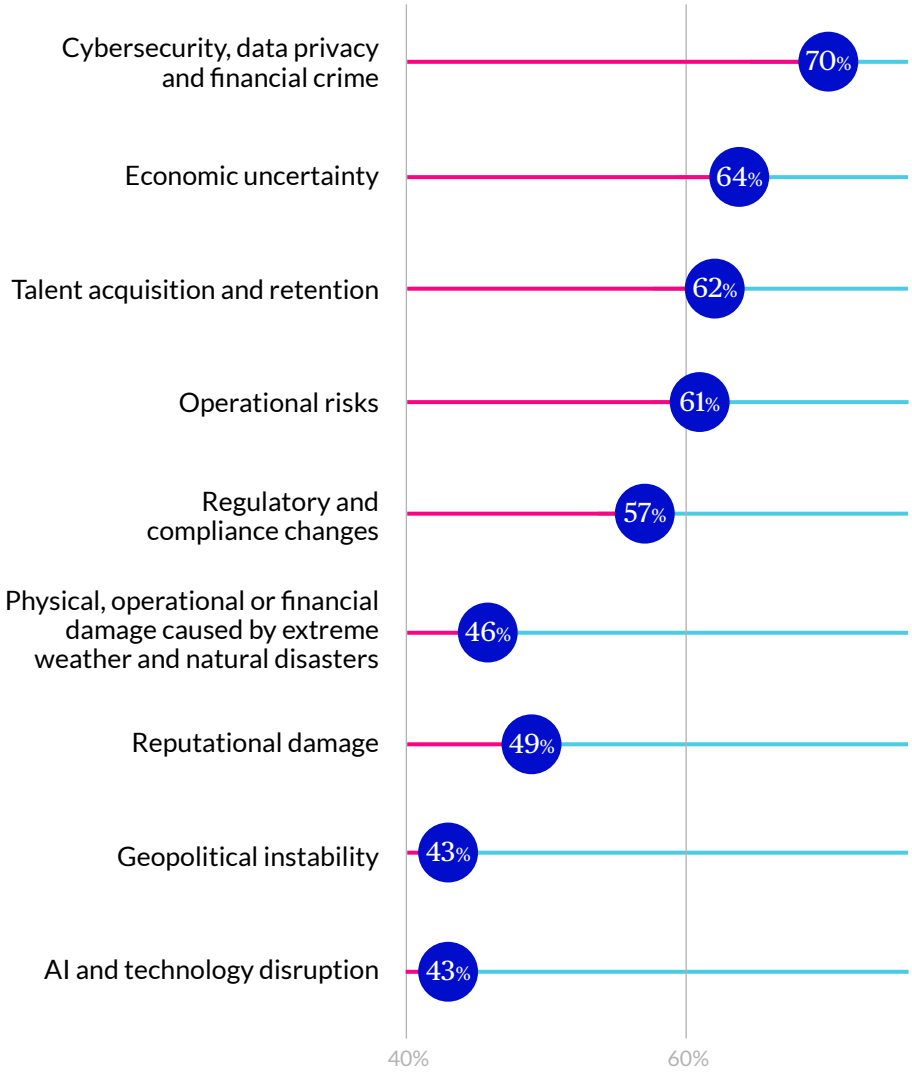
Top risks

Mid-market businesses in UK&I are navigating a broad range of risks with cybersecurity, economic uncertainty and talent acquisition emerging as the most significant.

Cybersecurity leads the risk rankings, noted by 70% as a major/ significant risk to their business. It's a concern that is well-founded with Chubb's **2026 Cyber Claims Report** showing that the average cyber claim value for mid-size businesses in Europe and the UK tripled between 2020 and 2025.

Cybersecurity is the only risk rated Major or Significant by more than two-thirds of businesses surveyed.

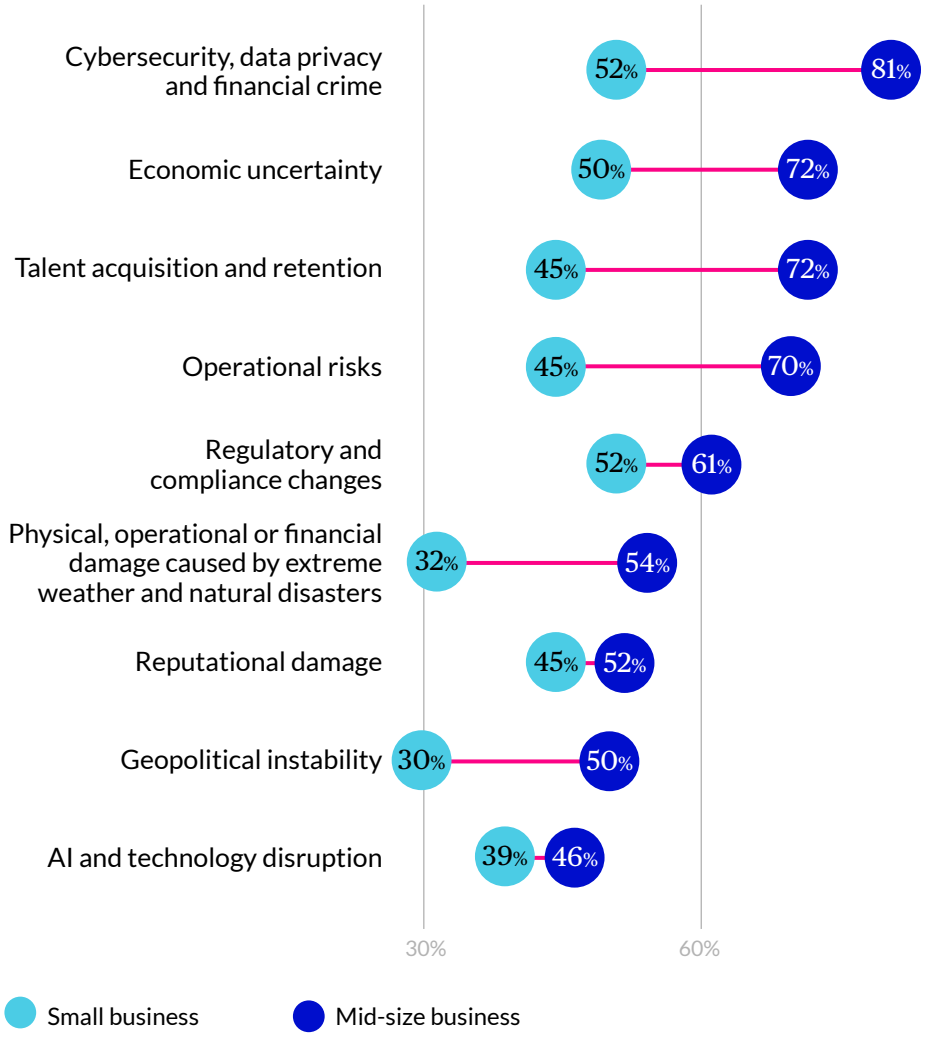
Risks rated as "major" or "significant" by UK&I businesses



Perceptions of risk vary by business size

Smaller businesses generally rate their exposure as less significant than their mid-market peers. The difference is particularly pronounced for cybersecurity, which 52% of smaller businesses consider a major or significant risk, compared with 81% of mid-size businesses.

Risks rated as "major" or "significant" to UK&I businesses (mid-size vs. small business)



"Risk does not necessarily shrink in proportion to company size. Every business has its own risk profile, shaped by many things: size, sector, operations and dependencies. What matters is understanding where the most significant exposures lie and ensuring that risk management, resilience planning and insurance cover reflect the needs of the individual business."



Rhodri Pashley
Chubb Fire Risk Engineering Services Manager, UK&I

Disruptive incidents are widespread and wide-ranging

Disruption is part of today's business reality. In fact, nine in ten businesses surveyed in UK&I have been impacted by at least one of the incident types explored in the research over the past three years.

The five most widely reported are:

85%	83%	70%	58%	49%
Operational or technological disruption	Cybersecurity or data breach	Supply chain disruption	Legal/ Compliance	Financial/ credit risk

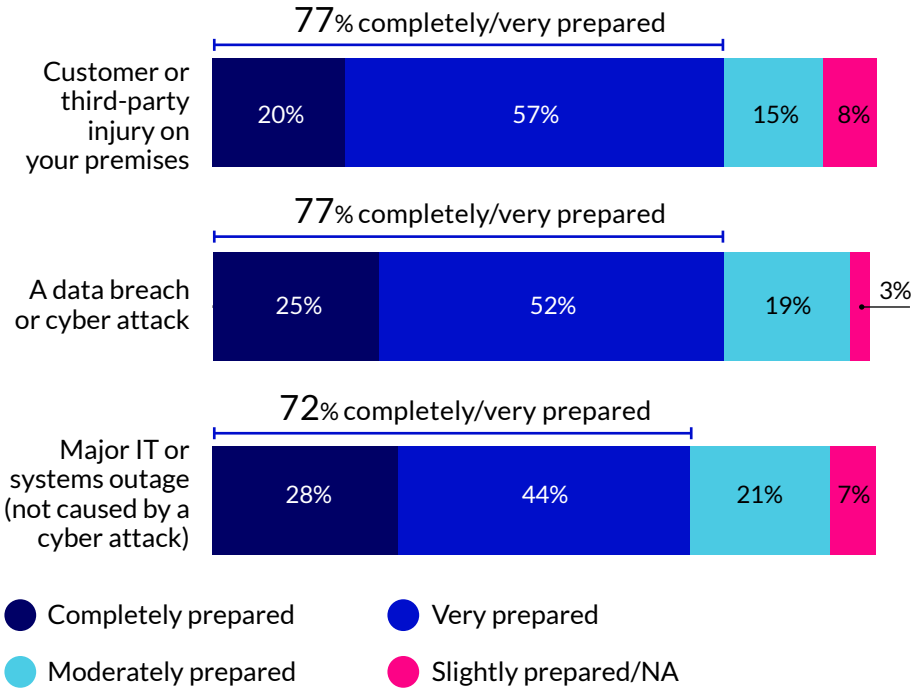
*Composite finding: respondents counted if they reported at least one relevant incident across the operational, cyber, or climate question sets



Preparedness levels are mixed

While businesses report strong preparedness across several adverse event types, significant gaps remain for others. True resilience depends on how plans and protections perform when a disruption occurs. Regular scenario testing is encouraged to provide an opportunity to put preparedness into action.

Areas where UK&I businesses feel most prepared



The events that these businesses are least prepared for ("moderately", "slightly" or "not prepared at all") are:

47%

A natural catastrophe or extreme weather event disrupting operations

42%

Loss of a critical member of the leadership team

39%

Reputational damage (e.g. a social media crisis or sustainability controversy)

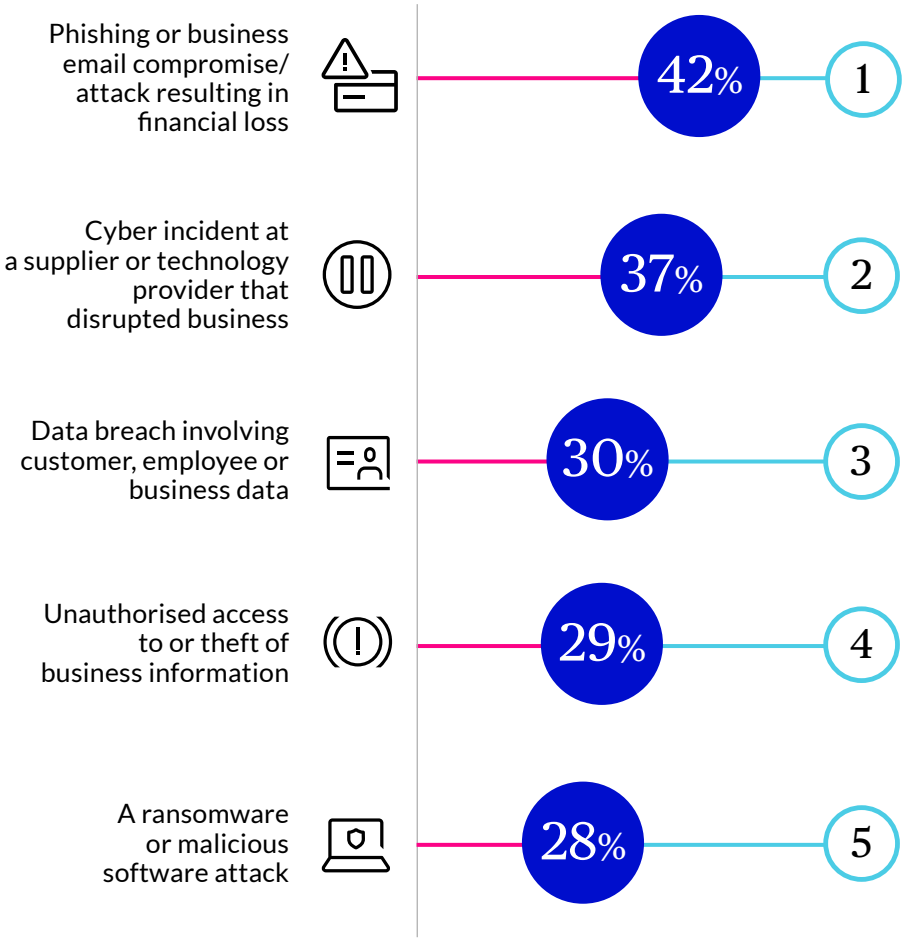
Across all listed incidents, respondents report strong levels of preparedness, with just 8% or fewer feeling only slightly prepared.

Cyber incidents take many forms

Cyber disruption can range from attacks on a business's own systems and data, to incidents affecting the suppliers and technology providers they rely upon.

Chubb's research shows 42% experienced a phishing or business email compromise/attack resulting in financial loss, making it the most commonly reported cyber event in the survey.

Five most-commonly reported cyber incidents in the past three years



Only **36%** have a cyber insurance policy in place that they regularly review and tailor to evolving business risks

"Mid-sized businesses increasingly face the same level of cyber disruption as large corporates, but often without the same operational resilience. Our research shows experience is the best teacher. Firms that had suffered a cyber incident in the past were nearly two times more likely to have a tailored cyber insurance policy in place. In contrast, only 28% of those that haven't suffered an incident have coverage in place, leaving them exposed to risks they haven't yet encountered."



Jimaan Sané
Chubb Head of Growth, Global Cyber

Every business is chasing growth, but not every business is ready for what comes with it.



When it comes to AI...

SMEs, like most businesses, are striving to leverage the clear benefits of digitisation and AI, yet grappling with the risks that AI presents. On the one hand, adversarial use of AI can exacerbate the speed and scope of risk exposure. On the defensive side, 54% of UK&I businesses are already using AI tools to help identify and respond to threats and vulnerabilities.

87% agree that AI is becoming so embedded in how they operate that it is hard to fully understand all the risks it creates.

Top AI concerns among businesses surveyed (extremely/very concerned)

71%

A third-party AI provider suffering an outage, security breach, or failure that disrupts business operations

69%

Deepfake or AI-driven impersonation fraud (e.g. a fake voice or video call tricking an employee into authorising a payment)

65%

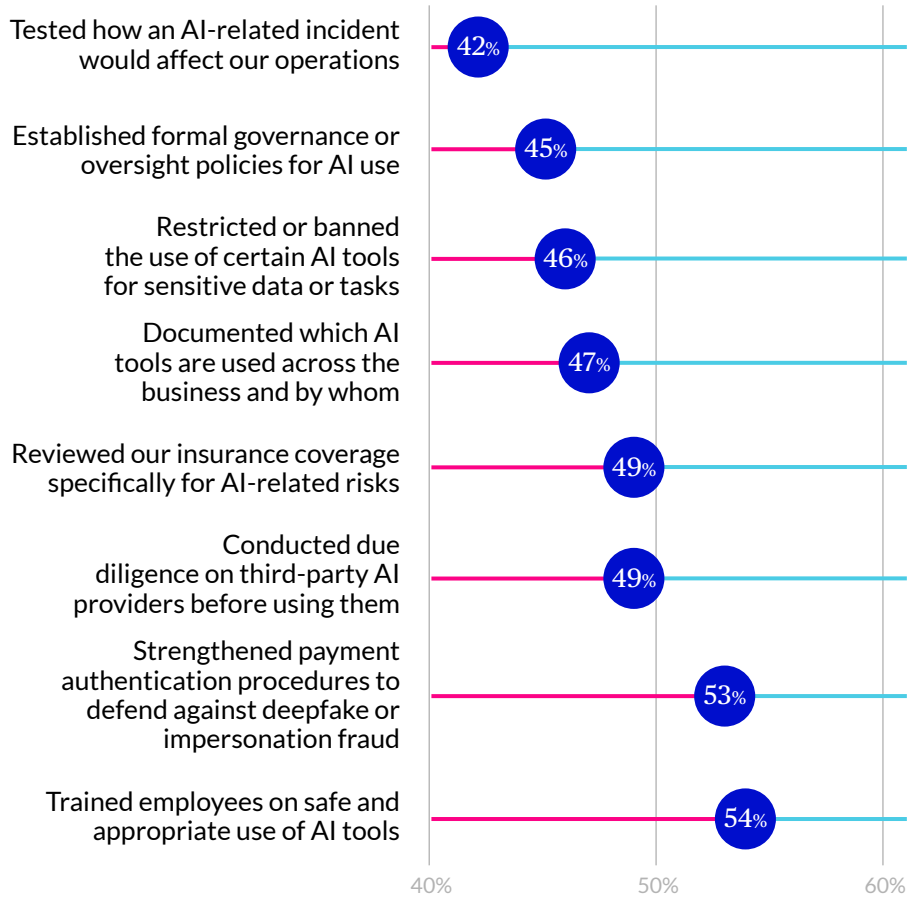
Difficulty explaining or justifying a decision made by an AI system if challenged by a customer, regulator, or in court

63%

An AI tool used by your business giving incorrect outputs that cause harm to customers or clients (e.g. faulty advice, wrong recommendations)

While businesses are taking steps to prevent, govern and prepare for AI risks, the proportion taking action is considerably lower than those expressing concern.

Steps taken by businesses to manage AI risks





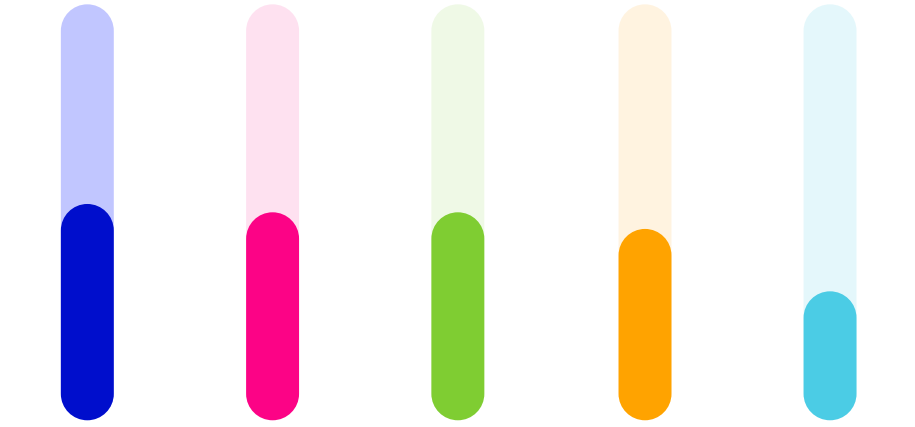
Concern about AI risk is widespread, but meaningful action still lags behind.

Climate concern is real

Climate-related risk is firmly on the agenda for mid-market businesses in the UK&I, with incidents extending beyond physical damage to a much broader range of impacts, from supply chains and operations to regulatory requirements, workforce challenges and reputation.

91% are concerned about climate change impact on their business (moderately or more)

Climate-related incidents experienced in past three years



52%	50%	50%	46%	31%
Supply chain disruption	Increased regulatory or compliance burden related to climate or sustainability	Workforce challenges	Changes to operations, distribution or market reach	Brand, financial or reputational impact



“Understanding the near- and long-term physical climate risks are vital to a business’s ongoing success. By identifying these evolving risks, organisations can plan, adapt, mitigate and improve resilience in the face of frequent and extreme weather events.”



Matthew Hardy
Chubb EVP Climate Practice Leader, Chubb Overseas General

Looking ahead – the climate impacts causing most concern in the next three years are:

63%	62%	59%	51%	49%
Supply chain issues	Regulatory change	Energy reliability	Environmental liability	Operational and business disruption

These concerns highlight the interconnected nature of climate-related risk and its relevance to broader business resilience planning.



Managing risk across international operations

79% of businesses surveyed already operate internationally. Alarmingly, 19% of those say they have no insurance in place for an incident that might occur overseas, for example, damage to property or goods damaged in transit.

For businesses operating internationally, resilience also means considering how risks and protection extend across borders.

19% of those operating internationally have no insurance for an overseas incident



"It's exciting to see middle market companies entering new territories around the globe. As they expand internationally, these companies must navigate new and different insurance laws, rules and regulations. Having a multinational partner that can easily grow with them and provide underwriting and claims services locally is critical to staying well informed and well protected."



Mark Roberts
Chubb Division President, UK&I and South Africa

From confidence to resilience

Middle market companies in UK&I are overwhelmingly growth-focused as they pursue new customers, markets, channels, products and services. While this expansion brings exciting opportunities, it also introduces new complexities.

The 2026 Chubb Middle Market Risk Radar highlights a practical priority for these growing businesses: connecting risk awareness to action. This requires testing plausible loss scenarios, identifying critical dependencies and thoroughly reviewing contracts and controls.

Most importantly, it means ensuring protection keeps pace with growth.

Chubb is a global leader in offering industry specific, scalable insurance package solutions and award-winning claims service for middle market businesses to protect them today and prepare them for what's next.



Contact your broker to discuss your needs and **find out more**.

All content in this material is for general information purposes only. It does not constitute personal advice or a recommendation to any individual or business of any product or service. Please refer to the policy documentation issued for full terms and conditions of coverage.

Chubb European Group SE (CEG). Operating in the UK through a branch based at 40 Leadenhall Street, London EC3A 2BJ. Risks falling within the European Economic Area are underwritten by CEG which is governed by the provisions of the French insurance code. Registered company number: 450 327 374 RCS Nanterre. Registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. Fully paid share capital of €896,176,662.

Chubb European Group SE trading as Chubb, Chubb Bermuda International and Combined Insurance, is authorised by the Autorité de contrôle prudentiel et de résolution (ACPR) in France and is regulated by the Central Bank of Ireland for Consumer Protection Rules.Registered in Ireland No. 904967 at 5 George's Dock, Dublin 1.

Chubb European Group SE is an undertaking governed by the provisions of the French insurance code with registration number 450 327 374 RCS Nanterre and the following registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. Chubb European Group SE has fully paid share capital of €896,176,662.

CHUBB®

UK9293-HS 11/06